

GENERAL

Smith border raiders kill 17

Botswana forces have killed 15 Smith border raiders and two Botswana soldiers in an ambush on the wana side of the border, it stated in Gaborone.

Addressing the National Assembly, Vice-President Masire said that eight more Botswana soldiers were wounded and three more missing. Reinforcements had been sent to the area where the situation was "extremely tense".

A Rhodesian communiqué said that Botswana troops had clashed with Botswana forces after guerrillas crossed the border. It was reported that Botswana forces were involved in a battle with Rhodesian troops, pulling back and then attacking Rhodesian forces. A Rhodesian communiqué said that a black majority-ruled Botswana had been the target of a black majority-ruled Botswana.

A Rhodesian communiqué said that Botswana troops had clashed with Botswana forces after guerrillas crossed the border. It was reported that Botswana forces were involved in a battle with Rhodesian troops, pulling back and then attacking Rhodesian forces. A Rhodesian communiqué said that a black majority-ruled Botswana had been the target of a black majority-ruled Botswana.

A Rhodesian communiqué said that Botswana troops had clashed with Botswana forces after guerrillas crossed the border. It was reported that Botswana forces were involved in a battle with Rhodesian troops, pulling back and then attacking Rhodesian forces. A Rhodesian communiqué said that a black majority-ruled Botswana had been the target of a black majority-ruled Botswana.

A Rhodesian communiqué said that Botswana troops had clashed with Botswana forces after guerrillas crossed the border. It was reported that Botswana forces were involved in a battle with Rhodesian troops, pulling back and then attacking Rhodesian forces. A Rhodesian communiqué said that a black majority-ruled Botswana had been the target of a black majority-ruled Botswana.

A Rhodesian communiqué said that Botswana troops had clashed with Botswana forces after guerrillas crossed the border. It was reported that Botswana forces were involved in a battle with Rhodesian troops, pulling back and then attacking Rhodesian forces. A Rhodesian communiqué said that a black majority-ruled Botswana had been the target of a black majority-ruled Botswana.

A Rhodesian communiqué said that Botswana troops had clashed with Botswana forces after guerrillas crossed the border. It was reported that Botswana forces were involved in a battle with Rhodesian troops, pulling back and then attacking Rhodesian forces. A Rhodesian communiqué said that a black majority-ruled Botswana had been the target of a black majority-ruled Botswana.

A Rhodesian communiqué said that Botswana troops had clashed with Botswana forces after guerrillas crossed the border. It was reported that Botswana forces were involved in a battle with Rhodesian troops, pulling back and then attacking Rhodesian forces. A Rhodesian communiqué said that a black majority-ruled Botswana had been the target of a black majority-ruled Botswana.

A Rhodesian communiqué said that Botswana troops had clashed with Botswana forces after guerrillas crossed the border. It was reported that Botswana forces were involved in a battle with Rhodesian troops, pulling back and then attacking Rhodesian forces. A Rhodesian communiqué said that a black majority-ruled Botswana had been the target of a black majority-ruled Botswana.

A Rhodesian communiqué said that Botswana troops had clashed with Botswana forces after guerrillas crossed the border. It was reported that Botswana forces were involved in a battle with Rhodesian troops, pulling back and then attacking Rhodesian forces. A Rhodesian communiqué said that a black majority-ruled Botswana had been the target of a black majority-ruled Botswana.

A Rhodesian communiqué said that Botswana troops had clashed with Botswana forces after guerrillas crossed the border. It was reported that Botswana forces were involved in a battle with Rhodesian troops, pulling back and then attacking Rhodesian forces. A Rhodesian communiqué said that a black majority-ruled Botswana had been the target of a black majority-ruled Botswana.

A Rhodesian communiqué said that Botswana troops had clashed with Botswana forces after guerrillas crossed the border. It was reported that Botswana forces were involved in a battle with Rhodesian troops, pulling back and then attacking Rhodesian forces. A Rhodesian communiqué said that a black majority-ruled Botswana had been the target of a black majority-ruled Botswana.

OECD agrees new growth strategy for more countries

BY ROBERT MAUTHNER: PARIS, FEBRUARY 28

Senior officials of member countries of the Organisation for Economic Co-operation and Development to-day reached broad agreement on a new, concerted growth strategy for the Western industrialised world. Under this a larger number of countries than hitherto, including the U.K., would take steps to expand their economies.

The agreement, announced by Mr. Charles Schultze, the new chairman of the organisation's economic policy committee and chairman of President Carter's council of economic advisers, is in no way final, since the committee is not a decision-making body. But, the fact that a consensus was reached by high officials means that the way has been cleared for the plan's submission to the organisation's Ministerial meeting in June and the Western economic summit in Bonn the next month.

The new approach is intended to replace the old "locomotive" theory, under which the most advanced economies, such as the U.S., Japan and West Germany, were supposed to pull the world out of its recession by a strong boost to internal demand, while the weaker countries concentrated on curbing inflation and reducing their payments deficits.

This strategy failed mainly because, in the view of the organisation's secretary and many of the member countries, the West Germans and Japanese were not prepared to expand their economies sufficiently to help the rest of the world.

The new approach is intended to replace the old "locomotive" theory, under which the most advanced economies, such as the U.S., Japan and West Germany, were supposed to pull the world out of its recession by a strong boost to internal demand, while the weaker countries concentrated on curbing inflation and reducing their payments deficits.

This strategy failed mainly because, in the view of the organisation's secretary and many of the member countries, the West Germans and Japanese were not prepared to expand their economies sufficiently to help the rest of the world.

The new approach is intended to replace the old "locomotive" theory, under which the most advanced economies, such as the U.S., Japan and West Germany, were supposed to pull the world out of its recession by a strong boost to internal demand, while the weaker countries concentrated on curbing inflation and reducing their payments deficits.

This strategy failed mainly because, in the view of the organisation's secretary and many of the member countries, the West Germans and Japanese were not prepared to expand their economies sufficiently to help the rest of the world.

The new approach is intended to replace the old "locomotive" theory, under which the most advanced economies, such as the U.S., Japan and West Germany, were supposed to pull the world out of its recession by a strong boost to internal demand, while the weaker countries concentrated on curbing inflation and reducing their payments deficits.

This strategy failed mainly because, in the view of the organisation's secretary and many of the member countries, the West Germans and Japanese were not prepared to expand their economies sufficiently to help the rest of the world.

The new approach is intended to replace the old "locomotive" theory, under which the most advanced economies, such as the U.S., Japan and West Germany, were supposed to pull the world out of its recession by a strong boost to internal demand, while the weaker countries concentrated on curbing inflation and reducing their payments deficits.

This strategy failed mainly because, in the view of the organisation's secretary and many of the member countries, the West Germans and Japanese were not prepared to expand their economies sufficiently to help the rest of the world.

One-day rail strikes called off

By Nick Garnett, Labour Staff

The series of one-day rail strikes, the first of which was due to begin at midnight last night, was called off late yesterday after a day of talks involving ASLEF, the drivers' union and the National Union of Railwaymen.

Many of the principal issues in the dispute have still to be settled, however, including relative pay between some drivers and guards and these could have serious repercussions for future rail peace.

British Rail cancelled some overnight long-distance trains before the result of the talks were known.

Some rolling stock will not be in normal locations and some services may be a little disrupted to-day.

The peace formula involved the setting up of a meeting under Lord McCarthy, chairman of the Railways Staffs National Tribunal but acting in an unofficial capacity, to decide the means of resolving the dispute between ASLEF and British Rail.

ASLEF called the strike in protest at what it claims was a "sectional agreement" to pay commissions to pay-rail guards, which broke the industry's 1974 pay restructuring arrangements.

The argument has led to considerable bitterness between ASLEF and the NUR, which represents the guards.

As part of the peace formula, the payments to the guards will go ahead, and ASLEF has withdrawn its strike threat.

Yesterday's talks involved executive meetings of both unions at TUC headquarters, and joint meetings involving Mr. Len Murray, the TUC general secretary, and rail management officials.

Mr. Murray played a crucial part throughout attempts to reach an agreement.

Mr. Ray Buckton, the ASLEF general secretary, said after the talks that it was right that the guards' pay deal should go ahead. He was pleased that a "deal" was being created to sort out drivers' grievances.

The NUR and the Transport Salaried Staffs Association have warned of further "sectional" pay claims from their members if the drivers receive similar extra payments to those of the pay-rail guards.

Bickering between staff grades plagued the railways before 1974 and British Rail is anxious to prevent recurrence of that during the present industry-wide approach on manning, pay and productivity.

Mr. Sid Weighill, the NUR general secretary, said that he had recognised that the guards' agreement was "legitimate" and he was satisfied at the outcome of the talks.

SE plan for foreign deals by jobbers

BY NICHOLAS COLCHESTER

STOCK EXCHANGE jobbers should be allowed to deal in overseas securities directly with members of foreign stock exchanges.

The change, which effectively breaches the principle of single capacity for foreign stocks under which jobbers deal only through London brokers, is understood to be the key recommendation in a draft report prepared by the Committee of Senior Partners of the Exchange membership.

Deals in foreign securities—those purchased through the premium—would be negotiated directly but would be booked through a London broker at a low rate of commission.

The idea is to enable jobbers to participate effectively in the growing international securities business. It is hoped this will help preserve their ability to compete with the existing broker-jobber system in British securities.

The separation of jobbing and broking, which London's Stock Exchange insists upon, has been a handicap for its members in international securities markets where firms tend to embrace both functions.

The desire of British jobbers to deal directly with these foreign securities.

foreign firms has been a bone of contention within the Exchange membership.

The senior partners are said to have concluded that the British jobbing system remains viable but extremely fragile. They have, therefore, suggested that the Stock Exchange Council should consider other measures to help the jobbers.

These could include changes to the rules governing brokers' "put-throughs" (trades where a broker finds both buyer and seller) a lengthening of the account period, and alterations to the proportions of Talisman clearing costs borne by brokers and jobbers.

The committee was clearly very concerned that its proposed change in the rules could endanger the principle of single capacity in domestic securities—including the all important market in gilt-edged securities.

It has taken what seems to be the smallest step in the direction of dual capacity it is possible to envisage. It discarded more wide-ranging schemes, including the allowance of dealing consortia formed by jobbers and brokers for international stocks, and even a completely separate exchange floor for dealing in to deal directly with these foreign securities.

foreign firms has been a bone of contention within the Exchange membership.

The senior partners are said to have concluded that the British jobbing system remains viable but extremely fragile. They have, therefore, suggested that the Stock Exchange Council should consider other measures to help the jobbers.

These could include changes to the rules governing brokers' "put-throughs" (trades where a broker finds both buyer and seller) a lengthening of the account period, and alterations to the proportions of Talisman clearing costs borne by brokers and jobbers.

Pay talks collapse threat to engineering companies

BY CHRISTIAN TYLER, LABOUR EDITOR

MANY OF Britain's biggest engineering companies face the prospect of official industrial action following the unexpected collapse of negotiations on a new national pay agreement.

The Engineering Employers' Federation said last night it was "astounded" by the breakdown of the talks.

There are many options, ranging from an overtime ban like that in 1974, to industrial action against the employers' federation, which could lead to a full strike action for a day or more.

The employers say the dispute has arisen because the Government's income policy, preventing the usual practice of pulling national minimum wages into effect on the same day for every company.

Mr. Scanlon said the phasing proposed by the employers would make it in effect a two-year, not a one-year, agreement. The employers' federation disagreed with this interpretation.

The latest offer was 10 per cent, and Mr. Scanlon said the union did not accept the employers' argument that only by phasing in national rates on the anniversary of companies' own wage awards would the federation's members avoid Government sanctions for breaches of the 10 per cent guideline.

Mr. Anthony Frodsham, Director-General of the federation, said it was "astounded by the executive's apparent desire for industrial action at this time. Until Monday, the unions had appeared to accept the point about gradual introduction of minimum rates, he added.

Neither side has plans at the moment to call in the Department of Employment to give its verdict.

The industry's bargaining is conducted at two levels. The bulk of most workers' earnings

Monopolies clearance for firms' merger

BY MARGARET REID

DECISIONS are likely to be taken soon on whether the projected merger between two of London's largest stockjobbing firms should go ahead and on what terms. The planned merger between Smith Bros. and Biscoe Biscoe has been cleared by the Monopolies Commission.

The commission decided that the joining of the two businesses, which would cut the number of London's big jobbers from five to four, would not operate against the public interest. It recognised that every reduction in the number of jobbers meant some reduction in competition, but concluded that two special features justified the deal.

One of these was that the overlap between the business of the two concerns was so small—only 48 out of the total of 2,800 securities they handle between them are dealt in by both firms—that the adverse effect on competition would be limited. The other more positive, favourable consideration was that the fortification of the two businesses' strength through a merger could

make them better able to expand.

"We consider that it would be generally in the public interest if, as a result of the merger, international business were attracted to London, which would otherwise be done by foreign dealers elsewhere."

In announcing the commission's finding, which means the Government has no power to prevent the merger, Mr. John Fraser, Minister of State for Prices and Consumer Protection, referred to price agreed agreements between jobbers in the market. He noted the commission had said these agreements, concerning the gap between

Continued on Back Page

Lex Back Page

£ in New York

February 28

WORRIED ABOUT SCHOOL FEES?

If you are concerned at the rising cost of school fees and would like to make provision for your child's education, you should consider the Save & Prosper School Fees Capital Plan.

This Plan, which is particularly attractive to higher-rate and/or additional-rate taxpayers, enables you to reduce the cost of either immediate or future school fees by means of a lump-sum contribution. Furthermore, fees can be planned either on a level yearly basis or as an amount increasing each year at a pre-determined rate.

The minimum lump-sum contribution per Plan is £1,000.

Examples: Sum required to secure school fee payments for five years, starting at £1,000 for the first year and increasing annually thereafter by 7% p.a. compound.

No. of complete years before schooling begins	Total fees secured
1	£5,751
5	£24,836
10	£33,585
13	£39,065

Capital outlay	Amount saved
£1,000	£915
£2,000	£2,166
£3,000	£2,666
£4,000	£3,354
£5,000	£3,894

For further details of the Plan, please consult your professional adviser or complete and return the coupon below.

To: Save & Prosper Group, 4 Great St. Helens, London EC3P 3EP. Telephone: 01-564 8899.

Please send details of your School Fees Capital Plan.

Name _____

Address _____

Tel: _____

Not applicable to Eire residents. 409/FT/78

SAVE & PROSPER GROUP

EUROPEAN NEWS

Spain's Cabinet reshuffle: a significant change in political complexion

SR. ADOLFO SUAREZ, handling the resignation of Prof. Enrique Fuentes Quintana, his chief economic minister and policy maker, has shown once again what an astute political operator he is. When it became clear last Friday that Prof. Fuentes Quintana would not withdraw his resignation, the Prime Minister acted quickly. He consulted only his closest colleagues, the caucus of his Union de Centro Democrático (UCD) party, the king and the defence minister. Then the changes, four new Cabinet members, were announced with the minimum of fuss later in the evening. By avoiding a drawn-out government crisis, Sr. Suarez has been able to give a reassuring sense of continuity, and to play down the consequences of the change.

Yet it would be wrong to gloss over this crisis and pretend that it is business as usual again. An important shift of emphasis in the political complexion of the Government has occurred. At the same time, the Government has acquired an almost entirely new ministerial team dealing with the economy. Inevitably, this places a question mark over the future direction of Government economic policy. In part this is because policy has been shaped by Prof. Fuentes Quintana until now. Also because this policy, embodied in the October package of measures known as the Moncloa Pact, relies for its success on the continued co-operation of the main opposition parties—the Communists and Socialists.

The leading independent daily, El País, greeted the government with a shake-up with a banner headline

announcing "Suarez moves to the Right." Initial analysis of the backgrounds of the new ministers supports this view. The other striking aspect is how Sr. Suarez has sought to introduce men with whom he feels at ease, and who



Sr. Suarez: reassuring sense of continuity.

represent the mainstream "centre" of his UCD Party. This has led a number of commentators to conclude that Sr. Suarez has taken advantage of the Cabinet reshuffle to give greater ideological coherence to the Cabinet—and by the same token to the governing UCD. Prof. Fuentes Quintana was not a member of the UCD. His intellectual arrogance made him

a difficult member of the government and was fundamental to his resignation. Sr. Fernando Abril, who replaces Prof. Fuentes Quintana, is regarded as one of the Prime Minister's closest associates

Minister, becomes the new Minister of Transport. He is also said to be friendly with the extreme Right-wing leader Sr. Manuel Fraga of Alianza Popular. The new Minister of Agriculture, Sr. Jaime Lario de Espinosa, a 37-year-old agronomist, is regarded as middle of the road technocrat within UCD, and a friend of Sr. Abril. While the new Labour Minister, Sr. Rafael Calvo Ortega, a finance lawyer, has been acting as the UCD spokesman in the Senate and is closely tied to the Prime Minister.

These moves are expected to permit Sr. Suarez to exercise greater control over the UCD which he is seeking to convert from the loose network of political groupings and personal factions that allied to fight the June 1977 elections into a coherent party. He knows this to be an essential prerequisite for the party to survive in power. In this sense he has taken advantage of Prof. Fuentes Quintana's departure to tidy up his Cabinet and strengthen the Party in anticipation of the municipal elections.

The municipal elections will not be held until after the new constitution is approved—probably not until the end of the year. This raises the issue of the UCD's ideological posture. Since the June elections, Sr. Suarez has adopted a political stance in contradiction to the assumed ideological complexion of his list. It means that Sr. Suarez wants to confront the Socialists on a more Right-wing ticket.

The effect of all this on the Moncloa Pact and Sr. Suarez's policy of consensus politics is problematical. Clearly in the short term, especially until the economy pulls out of the trough, Sr. Suarez has every interest in reassuring all concerned. But in three ways at least there will almost certainly be a change. First, the deflationary measures have resulted in an unforeseen slowdown in growth, an increasingly worrying level of unemployment, and serious problems in the banking sector that

major overhaul of the existing infrastructure with greater state intervention, that the previous Cabinet found itself unable to agree.

Restructuring Spain's energy calls into question some of the most powerful vested interests, the ownership by the private banks of the utilities, and raises the delicate issue of nationalisation—a word unheard of under Franco. The new Minister of Industry, Sr. Agustín Rodríguez

ordained between Prof. Fuentes Quintana and the Finance Ministry headed by Sr. Francisco Fernández Ordóñez.

The disappearance of Prof. Fuentes Quintana is a major disruption in governance, only eight months after Sr. Suarez initiated his post election administration: a disruption which will take some explaining to the international banking community upon whose confidence Spain is increasingly dependent.

It is premature to suggest that this marks the beginning of the end of Sr. Suarez's experiment in consensus politics. Sr. Suarez still needs to keep the Socialists and Communists on board because of economic policy requires their support, direct or indirect.

He also knows that the IMF has approved Spanish economic policy embodied in the Moncloa Pact. This approval is the main reason for accepting \$250m worth of stand-by credits earlier this month. For their part, the Communists and Socialists probably feel they can achieve more through cooperation than opposition at the moment.

But there are bound to be increasing signs of strain from now on in Sr. Suarez's relations with the Communists and Socialists. The latter will be expected to prepare fall back positions against the breakdown of the Moncloa Pact (there are hints the Communists are already doing this) and in anticipation of waging a determined campaign in the municipal elections which many believe will give the first real indication of Spain's post Franco political complexion.

BY ROBERT GRAHAM IN MADRID

have combined with a general lack of business confidence. This has been the price of a major improvement in the payments of the inflationary spiral. Growth could be below 1 per cent this year, and there are fears now that unless some deflationary measures are adopted soon, recovery will take longer and be much more complex with all the attendant social and political problems of deep recession.

In other words, the Moncloa Pact has to adapt itself to the new economic circumstances without squandering achievements to date. Secondly, the longer term aspects of the Moncloa Pact—the structural reforms promised to the Communists and Socialists—have to be implemented if the consensus is to survive.

It was precisely on these structural reforms, like a new energy plan which proposed a

Sahagún, vice-president of the Spanish Businessmen's Association, has been strongly critical of the Moncloa Pact and his appointment is deemed a sop to business opinion. He is considered unlikely to pursue the energy plan in the same way. At the very least it means that vital time will be lost over the energy plan—arguably the most important immediate structural change, since Spain is the sole country in Europe not yet to have faced up to the consequences of the 1973 oil price rises. Discussions on the future of steel, and on the future of the shipbuilding industry are also likely to be held up and policy oriented if possible away from nationalisation.

Thirdly, the disappearance of such a dominant figure as Prof. Fuentes Quintana from the front seat must give a change of style if nothing else. With him goes the chief technocrat in the economy, Sr. José Ramón Álvarez Rendueles, who co-

Interest rates rise in latest Turkish austerity measures

BY METIN MUNIR

ANKARA, Feb. 28

INTEREST RATES in Turkey were adjusted today in the latest chapter of the Government's programme of economic austerity measures.

The annual maximum interest rate in medium and long term loans was raised by 1 per cent to 16 per cent. For short term loans "given priority by the central bank," the maximum interest rate became 14 per cent, an increase of 2.5 per cent. For loans outside these two categories, the lending rate becomes a maximum of 16 per cent, 2 per cent higher than previously.

The maximum interests charged by the Agriculture Bank, the biggest in Turkey, and the People's Bank—both of them state owned—have remained unchanged at 10.5 per cent a year. The former lends to farmers, the latter to small traders and artisans. Interest rates on deposits went up as well.

Rates to be paid on deposit of between three to six months have become 5 per cent, six to 12 months 9 per cent, one to two years 12 per cent, two to three years 16 per cent, and three to four years 20 per cent.

The last three categories have been newly instituted. Increases in the interest rates of the three other categories corresponds to 3 per cent interest on sight deposits has remained unchanged at 1 per cent.

Under a new system introduced today, Turks working abroad have been accorded a

"spread" of 4 per cent for deposits in excess of one year of Turkish lira converted from hard currencies. Thus such deposits will earn 16 per cent, for between one and two years, 20 per cent, for two to three years and 24 per cent for three to four years.

The aim is apparently to attract the savings of expatriate workers whose remittances are a vital source of hard currency for Turkey. Remittances a year totalled just under \$1.3bn, was approved by National Assembly in Ankara yesterday, Metin Munir reports.

but are expected to reach \$1.3bn this year.

Banks' cash reserve requirements also went up from an overall 10 per cent to from 10.5 per cent to 16 per cent, depending on their total deposit positions.

The general purpose of these new decisions, which appear in today's official Gazette, is to "boost savings and limit borrowing," according to the centre bank.

Other austerity measures including a devaluation, are expected to be announced soon. When these are completed, probably in a week or so, a Turkish delegation will go to Washington to resume talks with the International Monetary Fund for extension of credits.

U.S. credit for Portugal

BY JIMMY BURNS

LISBON, Feb. 28

THE U.S. will sign a basic agreement at the Bank of Portugal here to-morrow for its share of the \$750m. medium-term loan agreed last year by 14 industrialised countries to help Portugal solve her balance of payments problem.

The terms of the \$300m. U.S. credit still depend on the successful conclusion of Portugal's negotiations with the Inter-

national Monetary Fund on a \$50m. standby loan expected to begin here within the next few weeks. A representative of the Fund has already arrived in Lisbon to prepare the talks.

Venezuela, Switzerland, Norway and Sweden have also signed similar bilateral agreements. Portugal committing \$75.5m. of the total loan—\$51.3m. of which has already been drawn down.

Tough Norway proposal

BY WILLIAM DUFFLOR

COPENHAGEN, Feb. 28

THE NORWEGIAN Labour Cabinet has appointed a working group of four Ministers to study a 15-point package of belt-tightening measures submitted by Mr. Per Kleppe, the Finance Minister, to follow up the February 10 devaluation of the krone. The group, which includes Mr. Kleppe, will decide whether his economic proposals are compatible with the Government's political aims. The measures would cut most

Norwegians' real income about 1 per cent, according to Oslo Radio. They would postpone improvements in sickness benefits and work environment regulations. The holiday week, to which workers were to become entitled this year, would now be wip.

Mr. Kleppe is understood to want to cut spending on and new power plants at current Government support the shippers.

Spanish army calls off trial

By Our Own Correspondent

MADRID, Feb. 28

MILITARY authorities in Barcelona called off their scheduled court martial today of six Catalan actors after two of them failed to appear before the court.

One of those missing was Sr. Alberto Sordella, the director of "Los Jocklers" troupe who escaped from hospital yesterday.

The actors are accused of offending the armed forces in their pantomime "La Torna" (The Return) based on the execution of a Pole and an anarchist in 1974. One scene showed drunken army officers. The prosecution is asking for six years' gaol for Sr. Sordella, Reuter.

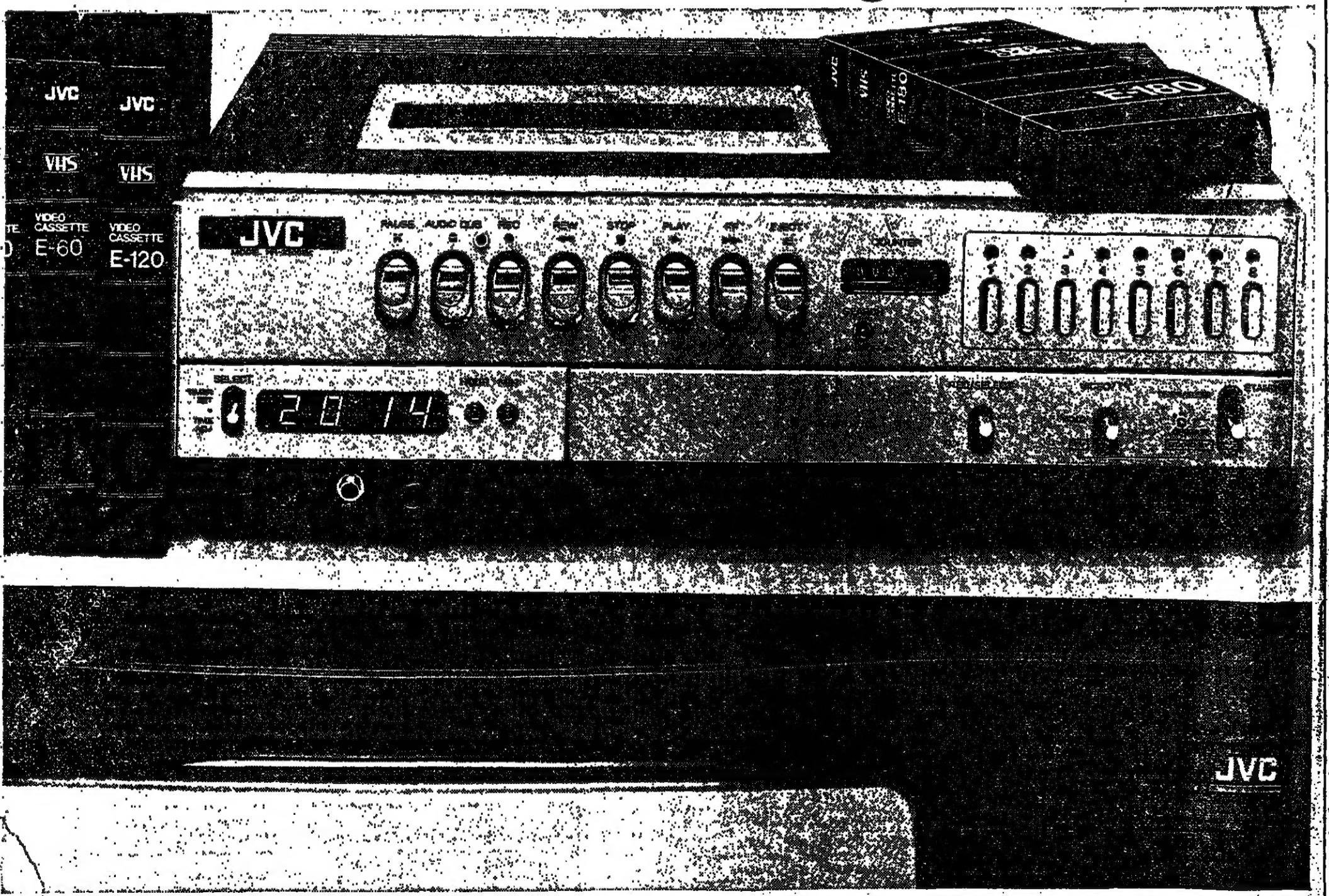
Belgian plan for regions

BRUSSELS, Feb. 28

BELGIUM'S SOCIAL CH. Prime Minister, M. Tindemans, today asked Parliament to approve texts for the foundations for a new Belgium of three autonomous areas which it is hoped will put an end to the long-standing Dutch and Flemish speaking communities in tension.

The latest Government coalition culminates months that followed the end of the Egmont Pact, an agreement reached in 1977 by parties in the Flemish region team and which details proposed reorgan-

IF YOU MISSED IT ON B.B.C. OR I.T.V.- SEE IT ON JVC.



JVC VIDEO HOME SYSTEM - THE FIRST THREE-HOUR HOME TV RECORDER

In spite of anything other manufacturers may say (and they'll be saying plenty in this new video age) those in the know will tell you that JVC have consistently led the field in the development of a TV recorder specially geared for the consumer. Take tape length, for example. First last year in the production of two-hour cassettes, JVC have now gone one better - and produced the first three-hour cassettes on the market.

So the JVC Video Home System gives you longer running time at, inevitably, more economical running costs.

You can use the JVC Video Home System to record* any colour or black-and-white programme.

You can set it to tune into any channel and time it to switch on automatically (and just for a moment, consider the implications of that; you could be out having dinner or flying half-way across Europe and your JVC will be sitting quietly at home recording your telly for you).

You can watch one programme and record another simultaneously - or you can even transform the whole thing into an instant TV studio to make your own programmes.

And yet the JVC Video System will connect with every standard U.H.F. TV set in the U.K. and is so brilliantly simple any bright six-year-old could operate it. It's also the smallest, lightest, neatest home video recorder you can buy and it records and plays back with all JVC's inimitable quality.

And, for the 64 dollar question, it's the most economical to run. Under £15 for a three-hour cassette (one-tenth of the price of film!).

*Recording and playback of material may require a camera. See Copyright Act 1956 and the Performers Protection Act 1958-1972.

JVC-VHS AVAILABLE FROM JVC(U.K.) LTD., ELDONWALL TRADING ESTATE, STAPLES CORNER, 6-8 PRIESTLEY WAY, LONDON, NW7 6AF.

مكتبة التجميل

EUROPEAN NEWS

Swiss Bank to press U.S. on dollar

BY MICHAEL BLANDEN

FURTHER PRESSURE will be brought on the U.S. Administration to step up its intervention in foreign exchange markets following the decision of the Swiss National Bank to send a senior representative to Washington.

M. Pierre Languet, managing director of the central bank, has gone to the U.S. to put again the case for American action to support the international competition in coping with the currency market turmoil.

He is expected to explain the problems created for the Swiss economy by the sharp rise in its currency and the measures announced on Friday and on

Monday to stem the pressure. One of these moves, the ban on foreign purchases of Swiss securities, yesterday brought the Swiss stock market. Prices fell by between 5 and 10 per cent.

The Swiss measures, described on Monday as the toughest since the Second World War, include a tightening of the rules on negative interest on foreign deposits as well as the ban on foreign buying of Swiss securities.

Mr. Fritz Leu, the president of the National Bank, an-

nouncing M. Languet's visit said yesterday that the Swiss had done everything they could to hold down the franc short of extreme measures such as a two-tier exchange market or imposing exchange controls.

He said that the Bank wanted to avoid resorting to either of these measures. In spite of the severity of the new moves, however, the Swiss franc again started to climb yesterday.

The dollar was again generally very weak in the exchange markets, and the Swiss franc, which had dropped sharply on Monday night in response to the measures, picked up to end in London at Sw.Frs.1.875 to the

dollar compared with Sw.Frs.1.89 on the previous day.

Exchange market dealers said that the full effect of the Swiss measures might not be felt for a few weeks yet. They pointed out that holders of funds now subject to the 10 per cent. quarterly negative interest charge can still keep their funds in the Swiss franc to the end of March, and only then will it be seen how far these will move out of the franc.

Meanwhile, it became clear yesterday that the ban on foreign purchases of Swiss stock will not prevent non-residents from subscribing for rights issues by Swiss companies in which they already hold shares.

Atherton's peace bid running out of steam

By David Lennon

TEL AVIV, Feb. 28.

THE U.S. peace shuttle is in serious difficulties because of the refusal of either Israel or Egypt to alter its positions on the crucial territorial and Palestinian issues, according to various sources here.

Israeli newspapers today quoted Western sources as saying that Mr. Alfred Atherton, the U.S. Assistant Secretary of State, may end his second shuttle very soon, although the presence of continued momentum in the peace process. Mr. Atherton said before leaving Tel Aviv that he planned to return to the U.S. next week.

The U.S. mediator had been expected to continue his efforts until shortly before Mr. Menachem Begin, Israeli Prime Minister, visits Washington in the middle of March. However, it now appears doubtful if he can keep it going so long.

Mr. Atherton flew to Cairo today and is expected back in Israel on Thursday, before going on to Jordan on Friday in a bid to bring King Hussein into the negotiating process. Syria has already said that it will not receive him.

He took with him Israeli comments on the Egyptian draft declaration of principles for a peace agreement. However, there is nothing new in the Israeli position, which continues to reject the call for total withdrawal from occupied territories and the creation of a Palestinian state.

Mr. Moshe Dayan, the Israeli Foreign Minister, complained last night that the Egyptians are no longer negotiating about concrete peace proposals but about general principles, such as "semantic formulations." He said that "to-day the discussions are solely on the Palestinian issue, and all negotiations on bilateral matters have ceased."

This has been brought about, he said, by Egypt's resolve not to pursue negotiations along the failure to persuade Jordan to join in the talks. Roger Matthews writes from Cairo: The verbal exchanges which are confounding Mr. Atherton's task continued unabated today.

While Mr. Atherton remains diplomatically reserved about the eventual prospects of attaining an agreed declaration of principles, neither the Egyptian nor Israeli Foreign Ministers feel under any such constraints.

Following Mr. Dayan's claims that Egypt had hardened its negotiating position, Mr. Menachem Begin, Israeli Prime Minister, retorted this afternoon that it was Israel's policy on Jewish settlements in occupied territory that was blocking progress.

After talks with Mr. Atherton, the Egyptian Foreign Minister commented: "The decision of the Israeli Government on settlements is really very dangerous. The U.S. and all other countries have stated very clearly that establishing settlements is an obstruction to peace. But even though we are not actually negotiating peace, the Israeli Cabinet has chosen this moment to confirm that they are obstructing peace by continuing with their settlements policy."

Mr. Atherton and Mr. Kamel are to have a further session of talks tomorrow before the U.S. shuttle returns again to Israel. Both sides, however, emphasised privately that the Palestinian issue remained the single most substantial problem, but that it could not really be tackled until there was some consensus on the future of Jewish settlements in occupied territory.

Officially, it is stated that Mr. Atherton brought with him Israeli counter-proposals for the wording of a declaration of principles, and a preliminary agreement on Jerusalem. However, while the Egyptians are making an outward show of assisting Mr. Atherton's mission, they feel there is little chance of him achieving a breakthrough.

Mrs. Gandhi's party does well in two more states

BY K. K. SHARMA

NEW DELHI, Feb. 28.

HAVING surprised all her political opponents by capturing control of the southern states of Andhra and Karnataka with overwhelming two-thirds majorities, Mrs. Indira Gandhi's Congress (I) party has done relatively well in two other states as well.

No party has emerged with a clear majority in Maharashtra in the south and Assam in the east. But Mrs. Gandhi's party was thought not to stand any chance there at all as Maharashtra is the bastion of Mr. Y. B. Chavan, leader of the Congress opposition in parliament, and Assam is the stronghold of Mr. D. K. Barooah, the former Congress president.

Instead, the Congress (I) has won an impressive 62 seats in the Maharashtra assembly in the south and 126 in the Assam assembly in the east. In the latter, Mrs. Gandhi's party may appear to have just a token presence but, as in Maharashtra, it can play a pivotal role when the question of forming governments there arises.

This will begin to-night when party councils meet to decide on

their tactics. Janata has emerged as the largest single party in both Maharashtra and Assam, even though it does not have a clear majority. The official Congress, which was thought to be strong in both states, is the second largest group. For a stable government, therefore, a coalition is unavoidable.

This faces major hurdles, however. The Janata party is committed to not taking part in a coalition government with either of the Congress parties, although this pre-election stance could change in the new circumstances. Neither of the Congress parties will want to be partners in a government and hence a period of instability in the two states appears unavoidable.

However, in both Assam and Maharashtra, a number of independent members of other parties like the Peasants' Workers' party, the Communists and the Marxists have won a substantial number of seats. In Assam, for instance, the Peasants' and Workers' party has 13 seats, while Independents have 34. A clear majority is not possible even with their help but the Janata may find some mem-

bers of the disintegrating Congress coming over to its side. The position at present is fluid. The interesting to watch will be the future of the Congress and the possibility of its members conceding victory to Mrs. Gandhi and merging with her party. This might prove difficult for the top leaders like Mr. Chavan and Mr. Reddy. But lesser men may read the writing on the wall better and acknowledge, as all pundits are ruefully doing, that Mrs. Gandhi is very much back in Indian politics.

For two Congress parties to exist in the face of Mrs. Gandhi's remarkable performance, and this is likely to be demonstrated when her parliamentary party meets on Saturday.

The Janata party is also doing some heart-searching. Its president, Mr. Chandra Shekhar, issued a statement saying that the results should be an eye-opener for Janata members and the party could now concentrate on fulfilling the people's aspirations. He is himself under attack for the party's failure to make a dent in the south and win a national image for itself.

Fears of mass deportations of Palestinians from Egypt

BY HUSAN HIJAZI

BEIRUT, Feb. 28.

SOURCES close to the Palestine Liberation Organisation (PLO) here fear mass deportation of Palestinians from Egypt following the announcement of restrictions on Palestinian residents there. A number of Palestinian students in Cairo have already received deportation notices, describing them as either "undesirable elements" or "radicals," the sources said.

The restrictions were announced yesterday in a speech by Mr. Mamdouh Salem, the Egyptian Prime Minister. His attack against the Palestinian leadership was taken by observers here as being aimed against Mr. Yasser Arafat, the chairman of the PLO. Mr. Arafat, in a speech here last night, hit back at what he described as the Egyptian "hate-Palestinians" campaign.

The guerrilla leader also said: "No one can threaten the Palestinian revolution. It is the revolution which threatens all the conspirators, the weaklings and the capitulationists." He added that there can be no peace or stability in the Middle East without the Palestinians.

Observers here see the crisis building up into a total break. The attack by Mr. Salem on the PLO leadership has concentrated campaign against Mr. Arafat in the State-controlled Egyptian Press were taken here as an indication that Egypt may be setting the stage for withdrawing its recognition of the PLO as the sole representative of the Palestinian people.

The Egyptian media have held the PLO responsible for the assassination in Damascus earlier this month of Mr. Yusuf el-Sibael, the former Editor-in-Chief of Cairo's Al-Ahram.

In another development, the Lebanese Foreign and Defence Minister, Fuad Butros, was holding talks in Damascus today on the question of extending the mandate of the Syrian-dominated Arab peace-keeping force in Lebanon.

The mandate is due to expire on April 28. Ordinarily, the forces term is extended by the Arab League, but due to inter-Arab differences the League is not expected to convene. The Lebanese Government wants the mandate extended for six more months. Syria has left it up to the Lebanese President, Elias Sarkis, to decide whether the Arab peace-keeping force should stay here or not.

Chinese Foreign Minister to visit U.K.

By Colina McDougall

THE CHINESE Foreign Minister, Huang Hua, will visit Britain once the National Peoples Congress is over, it is hoped. While he has not yet officially accepted and named a date, indications are that he will probably be coming within the next few months.

The last, and only other visit by a Chinese Foreign Minister was in 1973, when Chi Peng-fei, who was then in charge of foreign relations, was paid by Sir Alec Douglas Home, the previous year. The late Mr. Anthony Crosland went to Peking as Foreign Minister in 1976.

Mr. Huang's projected trip underlines the fact that the pace of high level exchanges, which briefly quickened in the early 1970s when China welcomed Britain as a new force in the EEC, is now speeding up again.

Mrs. Bhutto expected to be banned from politics

BY SIMON HENDERSON

ISLAMABAD, Feb. 28.

THE BANNING from politics of the wife of Pakistan's deposed Prime Minister, Zulfikar Ali Bhutto, is considered imminent following the latest martial law measure of the military ruler, General Zia ul-Haq.

The measure allows for the temporary banning of former politicians suspected of corruption and maladministration until they are found guilty or cleared by a disqualification tribunal in which they are being set up.

Mrs. Bhutto, who is leading the former governing People's Party during her husband's detention, was named three weeks ago along with 88 other politicians as having failed preliminary scrutiny.

Previously General Zia has said he will give power when the political cleansing process is complete, but last week he said he would stay in control until an election could be held with what he called positive results.

24-year-old daughter, Benazir, although there are some signs of internal party opposition to the idea that the People's Party following the latest martial law measure of the military ruler, General Zia ul-Haq.

Miss Bhutto's leadership perfectly acceptable while her father is detained by the military. The People's Party is the focus of opposition to the military government of General Zia, in spite of Mr. Bhutto facing prosecution on charges of murder, corruption and election rigging.

Almost alone among political groups in Pakistan, the People's Party is calling for immediate elections.

Previously General Zia has said he will give power when the political cleansing process is complete, but last week he said he would stay in control until an election could be held with what he called positive results.

Fukuda-Carter date agreed

TOKYO, Feb. 28.

THE Japanese Prime Minister, Takeo Fukuda, will meet President Carter in Washington on May 3 for a summit expected to centre on world economic recovery and Asian security.

Officials said here today. Agreement on a date for the summit, sought by Mr. Fukuda, was reached today when the U.S. ambassador, Mr. Mike Mansfield, met the Prime Minister, a Government spokesman said.

Mr. Fukuda, who will probably be accompanied by the Foreign

Minister, Sunao Sonoda, and the External Economic Affairs Minister, Nobuhiko Uchida, plans to leave Tokyo on April 30 for a one-week visit to the U.S. The itinerary has yet to be completed, the spokesman added.

The summit was proposed by Mr. Fukuda to strengthen bilateral relations, which were strained until the two sides reached agreement in January on trimming Japan's huge trade surplus with the U.S.

The Japanese Finance Ministry is negotiating to sell 100.5 tonnes

of gold, held in its special account for precious metals, to the Bank of Japan. Ministry officials said today.

Out of the total, 44.7 tonnes which was transferred to the Ministry from the Bank during the second world war will be sold to the Bank at a specially agreed price of slightly less than ¥690 per gramme, while the remaining 55.8 tonnes will be sold to the Bank at a market value yet to be determined; the officials said.

HE FRENCH ELECTIONS

Enter stage Left and Right

By David Curry

PARIS, Feb. 28.

THE FRENCH election battle of the air cut off to a directly televised start last night as the first of the series of party political broadcasts went out simultaneously on the three television channels and all radio stations.

The 25-minute session began with seven minutes of Mr. Alfred Corbi-Frere, representing the newly created Christian Democrats. Sitting immovably in front of the cameras he promised to introduce "real values, Christian values" into government.

Soft music, and then up pops Mr. Jacques Chirac, with a five-minute quip for the Gaullists, devoting questions from tame journalists. He spoke of the need to be in touch with reality, of a France whose people would, naturally, demonstrate their good sense by voting for a return to Gaullist roots.

A light blue interlude and more soft music. Enter Mme Simone Veil, Health Minister and reputedly the most popular member of the Cabinet, sitting comfortably beneath the portrait of President Giscard d'Estaun. Normally a relaxed and comfortable person she was so fussed about not exceeding her four minutes on behalf of the Union for French Democracy that she spent more time looking at the clock than at her prompter and consequently kept forgetting her lines. These were essentially to argue the case for uncracking progress under the present regime was better than the risky, impractical promises of the Left.

Music again — French television reserves its classical moments for political occasions — and, as the grand finale, came a five minutes of the Socialist leader, M. Francois Mitterrand, and his available lieutenant M. Claude Estier, happily bowing to under-arm questions to his order.

M. Mitterrand, with a single sentence red tape arranged carefully at his left elbow, President Giscard always speaks from behind a podium of his own, Mr. Estier, stayed in the audience of the Union for French Democracy, his opponent for being so close to the advance of the Socialists, and gave a passionate defence of his party's programme in reply to the French Inter-parliamentary Union.

The real battle of the French elections, the Gaullist chief, Marchais, the Communist chief, and his performance.

More trouble for the Gaullists, the Communist chief, and his performance. The Communist chief, and his performance. The Communist chief, and his performance.

Under the French constitution each party represented in the time allotted to it a number of speeches and the number of candidates.

W. German printing dispute worsens as lock-out is ordered

BY ADRIAN DICKS

BONN, Feb. 28.

THE WEST German printing industry's dispute over new technology deteriorated seriously today. After the printers' union, IG-Druck, had called its members out on strike at four major newspapers, publishers in one of the four cities affected, Munich, responded with a one-day lock-out that will stop all of the Bavarian capital's five daily newspapers appearing to-morrow.

To-day's moves, showing that both IG-Druck and the printing employers remain in an embattled mood, have added to fears that the dispute may now escalate into a national strike. The union organised a 13-day stoppage in April-May 1976, ostensibly over wages, although the apprehension of its members at the new technology's impact on their jobs was already a contributing factor.

IG-Druck today called official strikes of unlimited duration at the four printing plants in Munich, Kassel, Wuppertal and Düsseldorf after winning overwhelming backing from members there in ballots held Monday. There in turn were accompanied by a fresh wave of warning strikes and unofficial stoppages, a tactic that the printers (accord-

ing to the employers' organisations) have used more than 100 times since the dispute first flared up late last autumn.

The union maintains that its object is to force the employers' federations back to the negotiating table and to reopen the draft agreement introducing electronic, cold-type printing technology. The employers have continued to claim that IG-Druck helped to prepare the draft during 18 months of negotiations, and privately indicated its readiness to sign it before opposition from rank-and-file union members obliged the national executive to repudiate the deal at the end of January.

The publishers and general printing employers are insistent that the agreement must be taken or left as a whole, and are not prepared to discuss improving what they regard as very generous terms for skilled printers under the hot-metal process to change their jobs. IG-Druck wants what amounts to an open-ended guarantee not only for their members' employment but for their pay and status as well when the new technology is installed.

European satellite launcher at risk

FINANCIAL TIMES REPORTER

EUROPE'S INDEPENDENT satellite launchers have been jeopardised by West Germany's reluctance to share further funding, officials of the European Space Agency (ESA) in Paris said yesterday.

Money problems for six Ariane launch vehicles designed to place Western Europe's first commercial telecommunications satellites in orbit in the early 1980s, dominated the first day of a two-day meeting of ESA.

The agency has already built four experimental boosters, based on France's Ariane rocket, for flight testing over the next two years, at a cost of \$650m. It is ready to move into the production phase—the rockets will take three years to build. But the West Germans, who have contributed 20.12 per cent. of the

cash for the experimental programme, are having second thoughts. Officials said the Germans believe that the reusable U.S. Space Shuttle will soon become available for orbiting satellites, and will be a serious competitor to Europe's rockets.

ESA has contributed 62.5 per cent. of the cost of developing the launcher, is still supporting the project, as a means to Europe's independence in satellite launch capability.

ESA already has a joint project with the U.S. National Aeronautics and Space Administration for using the Space Shuttle, involving the development by ESA of Spacecab, a recoverable satellite, the first launches of which are scheduled for December 1980 and April 1981.

EEC draft aims to end unfair advertisements

BY MARGARET VAN HATTEN

BRUSSELS, Feb. 28.

EUROPEAN courts will be empowered to put a stop to misleading or unfair advertising and to demand publication of corrective statements even before the matter has been proved in court, under EEC Commission proposals announced today.

The Commission's draft directive, which has been sent to the Council of Ministers for approval, aims to harmonise and, in some cases, to strengthen existing laws relating to unfair or misleading advertising within the Community.

According to this directive,

member states would have to legislate within 18 months of notification against such advertising and to provide "quick, effective and inexpensive facilities" for those wishing to initiate court proceedings.

Though most states already provide for proceedings to be started by individuals, the directive broadens this to include consumer organisations which, it is felt, are often better equipped for protected cases. It also lays down minimum criteria for determining whether advertising is unfair or misleading.

Italy acts to block kidnap insurance

By Paul Betts

ROME, Feb. 28.

ITALIAN AUTHORITIES are moving to prevent the growing practice of wealthy Italian businessmen insuring through Lloyd's of London against kidnapping.

Over the past six years, kidnapping has become one of Italy's biggest growth industries, averaging about one a week—although sometimes there are as many as three a day—and paying an estimated \$20m. for the crime syndicates in particular the Mafia-controlled "Kidnap Inc."

The Guardia di Finanza, Italy's fiscal police force, confirmed to the Financial Times today the seizure over the week-end of documents from a Milan broker alleged to be issuing such evidence that 30 Italian businessmen had taken out cover through Lloyd's against kidnap and ransom.

Premiums for kidnap and ransom cover totalling Lire 12m, or close on £700,000, are currently understood to range from £15m-£20m. Renewal premiums for kidnap and ransom policies issued through Lloyd's are believed to have increased sharply over the last 18 months.

Although there is strictly speaking no law preventing Italians taking out kidnapping policies, an industry Ministry circular recommends Italian insurance companies not to issue such coverage. However, since all Italian insurance policies must have ministerial approval, it is impossible to obtain kidnapping policies in Italy.

In recent months, an increasing number of Italian potential kidnap victims have turned to Lloyd's and other foreign insurance concerns for cover. However, since premiums are generally paid abroad, permission must be obtained from the authorities to clear the necessary currency transfers. This is clearly not granted.

By taking out kidnap coverage through Lloyd's, Italian policyholders are effectively contravening exchange control regulations, which, following recently introduced legislation, is now an offence punishable by a prison term.

According to some Italian Press reports, it appears that there have allegedly been cases of "faked" kidnappings with claims paid in Swiss numbered accounts. It is also reliably estimated that some 200 businessmen in the Milan area and about 50 in Rome have taken out kidnap and ransom coverage through Lloyd's or other foreign insurance groups.

A spokesman for Lloyd's said in London last night: "From what little information we have we think it is unlikely that the policies have come through the Lloyd's market."

The most recent figures for the amount of kidnap insurance cover taken out by Lloyd's for 1975, showed that the total premium income was around \$50m. worldwide, against total premiums on all classes of business of £1.5bn. in 1974. Or the \$50m. premium income a small proportion is believed to come from Italy.

Mr. Atherton flew to Cairo today and is expected back in Israel on Thursday, before going on to Jordan on Friday in a bid to bring King Hussein into the negotiating process. Syria has already said that it will not receive him.

He took with him Israeli comments on the Egyptian draft declaration of principles for a peace agreement. However, there is nothing new in the Israeli position, which continues to reject the call for total withdrawal from occupied territories and the creation of a Palestinian state.

Mr. Moshe Dayan, the Israeli Foreign Minister, complained last night that the Egyptians are no longer negotiating about concrete peace proposals but about general principles, such as "semantic formulations." He said that "to-day the discussions are solely on the Palestinian issue, and all negotiations on bilateral matters have ceased."

This has been brought about, he said, by Egypt's resolve not to pursue negotiations along the failure to persuade Jordan to join in the talks. Roger Matthews writes from Cairo: The verbal exchanges which are confounding Mr. Atherton's task continued unabated today.

While Mr. Atherton remains diplomatically reserved about the eventual prospects of attaining an agreed declaration of principles, neither the Egyptian nor Israeli Foreign Ministers feel under any such constraints.

Following Mr. Dayan's claims that Egypt had hardened its negotiating position, Mr. Menachem Begin, Israeli Prime Minister, retorted this afternoon that it was Israel's policy on Jewish settlements in occupied territory that was blocking progress.

After talks with Mr. Atherton, the Egyptian Foreign Minister commented: "The decision of the Israeli Government on settlements is really very dangerous. The U.S. and all other countries have stated very clearly that establishing settlements is an obstruction to peace. But even though we are not actually negotiating peace, the Israeli Cabinet has chosen this moment to confirm that they are obstructing peace by continuing with their settlements policy."

Mr. Atherton and Mr. Kamel are to have a further session of talks tomorrow before the U.S. shuttle returns again to Israel. Both sides, however, emphasised privately that the Palestinian issue remained the single most substantial problem, but that it could not really be tackled until there was some consensus on the future of Jewish settlements in occupied territory.

Officially, it is stated that Mr. Atherton brought with him Israeli counter-proposals for the wording of a declaration of principles, and a preliminary agreement on Jerusalem. However, while the Egyptians are making an outward show of assisting Mr. Atherton's mission, they feel there is little chance of him achieving a breakthrough.

Ovamboland: caught in the crossfire of guerilla war

BY QUENTIN PEEL, RECENTLY IN OVAMBOLAND

THE ANGLICAN Mission at Otjomuho, a stone's throw from the 10-foot-high barbed wire fence which marks the line between Ovamboland and the rest of South West Africa, is a small seminary for training young men, and two new monks more like a monastery. A handful of monks, a few nuns, a handful of laymen, a few nuns, a handful of laymen, a few nuns, a handful of laymen.



in their makeshift football field with wandering cows and chickens.

Otjomuho has been caught, almost literally, in the crossfire of the growing guerilla war being waged in northern Namibia by the People's Liberation Army of Namibia (PLAN), military wing of the South West Africa People's Organisation (SWAPO), against the South African Army. The mission was closed by the Government four years ago, after permits to work there had been repeatedly refused to qualified staff. Drastic security regulations, forbidding all free movement in and around the area, also forced the seminary to shut down. The monks, a strip one kilometre wide cleared of all homes and villages, where any living creature is liable to be shot on sight by the South African army, and the threat of PLAN landmines on the surrounding roads, have reduced to a trickle the number of visitors to the mission. Finally last week, more than 100 pupils left their classes, escorted — some would say abducted — across the border by a large group of guerrillas.

Mission is the principal Anglican establishment in the main area of Namibia's 11-year-old guerilla war. For the past six years the region has virtually lived under martial law, with the so-called Proclamation RIV, banning all political activity, preventing all unauthorised visits, and effectively limiting all information to Government and military sources. A South African garrison force, estimated at anything between 12,000 and 20,000 men, patrols the area. Over the border in Southern Angola, the PLAN boasts at least 3,000 trained guerrillas, and several thousand more camp followers, dedicated to "liberating" Namibia from South African occupation.

The war in Namibia is officially described as low level, and has never become as active as Rhodesia, the other theatre of immediate Southern African conflict. Guerilla activity has been characterised by landmine explosions, affecting both military and civilian traffic and the abduction and occasional assassination of village headmen and other supporters of the South African-backed Ovambo Government. The military and security police have carried out the arrest, detaining, questioning and allegedly the

torture of thousands of supposed SWAPO supporters among the local population. Direct contact between the guerrillas and South African soldiers has been infrequent, with independent observers suggesting that both sides go out of their way to avoid it.

It is against this backdrop that an election is being proposed for Namibia to set the country on the path to independence. The election may be supervised by the United Nations, as proposed by the five Western members of the UN Security Council, with SWAPO taking part, and all South African soldiers and armed guerrillas confined to their bases. The election could, alternatively, be held under South African control, with SWAPO self-isolation. In either situation, Ovamboland is not just the centre of the military struggle. As the most populous area of the country, it holds the key to an election. Ovambo make up almost 400,000 of a total population estimated at less than 900,000.

Like the Anglican Mission, the Ovambo population has been caught to some extent in the middle of the war. We want peace above everything," said Bishop Leonard Anala, head

of the 255,000-strong Evangelical Lutheran Ovambokavango Church. He is the first black bishop in Namibia, and perhaps the most respected figure in Ovamboland. Bishop Anala believes that the guerrillas and Ovambo population remain with SWAPO and its guerrillas, in spite of the killings attributed to them. "The South African soldiers who come with a very good title to protect the community are terrorising among the community," he said. "The people are very tired of this. There are also those who suffer from those who call themselves freedom fighters. But they say they only beat or kill informers, not the community. South Africa tortures both Swans and others, who suffer for nothing."

To the ordinary people, the most obvious sign of war is the number of South African soldiers patrolling the area. The present rate is one for every 100 people. The military presence is serviced by the massive Grootfontein supply base, south of Ovamboland, where several thousand South African soldiers are based. The Western proposals for a settlement in the territory call for a South African troop withdrawal

to 1,500 men in 12 weeks. Given the extent of the military investment in the area, there must be some doubt as to whether such a rapid withdrawal is possible, even if it proves acceptable to Pretoria.

The inevitable offspring of the guerilla war in Ovamboland has been the growth of an industry of informers, providing information on the movements of its active forces in Northern Namibia as those applying to the South African troops, he said. Mr. Mokapedi Thabane told reporters in Windhoek that SWAPO was prepared to test its strength in "free and fair elections," and quoted the movement's constitution that the "aim of SWAPO is to establish in Namibia a democratic, secular Government

as seen as vital: many village headmen will only live at the site of the nearest military camp for fear of abduction. Thomas Philippus, a garage owner near Otjomuho, is a prosperous businessman. "If the South Africans go, the Russians will come in," he says. "Then I will go too. The whites must stay. They are there to help us develop."

"Thousands of people have left this country," a young black

AMERICAN NEWS

Braniff trans-Atlantic flights stopped for 'overcharging'

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE U.K.-U.S. row over trans-Atlantic fares took a turn for the worse yesterday, when the U.S. Civil Aeronautics Board (CAB) prevented a U.S. airline, Braniff, from starting regular flights between Dallas/Fort Worth and London, on the grounds that the fares it was charging were too high.

A Braniff "pre-inaugural flight" carrying guests, and no fare-paying passengers, will arrive at Gatwick this morning, but the regular fare-paying passenger flights are suspended until further notice.

Behind this latest development in the trans-Atlantic fares row is the U.S. insistence that its airlines should be free to charge cheap fares approved by the CAB, while the U.K. believes that the trend towards such fares has gone far enough, and that a halt should be called until their effect can be more carefully assessed.

Talks on this problem are due to open in Washington next Monday between officials of the U.S. Government and the U.K. Department of Trade and the Civil Aviation Authority (CAA). The Braniff problem will undoubtedly be discussed, and until then, it seems unlikely that the regular Braniff flights to Gatwick can start.

The problem over Braniff stems from the fact that when it was originally granted the route between Dallas/Fort Worth and Gatwick, it applied for the right to charge a range of fares which the U.K. Civil

Aviation Authority thought was too low, including a special "stand-by" fare of \$349 return.

The CAA rejected this package, and asked Braniff to apply for higher fares. The airline responded with a new package, which eliminated the "stand-by" fare and raised the other fares proposed. Under the new package, the 14-21 days excursion rate was raised from \$706 to \$741, the 22-45 days excursion rate from \$627 to \$658, and the normal economy fare from \$784 to \$819.

But the U.S. Civil Aeronautics Board in turn has now said that it cannot accept the new fares, because they are too high. Accordingly, it is only prepared to allow flights under the original cheap rates.

The effect is that Braniff cannot start regular fare-paying passenger flights until this dispute is settled—which is not likely to be until the U.K. and U.S. talks have begun next Monday in Washington.

The view in the U.K. is that the CAB is preparing to restrict the operations of some or all U.K. airlines serving the U.S. in the event of the talks next week breaking down.

Even this, however, in the U.K.'s view, would be going beyond the terms of the Bermuda Two bilateral air agreement, which lays down the precise procedures to be followed in case of dispute between the two countries over air services.

French election influences IMF choice

BY JUREK MARTIN AND DAVID BELL

THE APPOINTMENT of a new Managing Director of the International Monetary Fund (IMF) now hangs, at least in part, on the outcome of the French general election in March.

For many months, M. Jacques de Larosiere, a senior French Treasury official, has been the leading candidate to succeed Dr. Johannes Witteveen, who had wanted to leave the post before his term expires in mid-summer.

M. de Larosiere remains the favourite (he has the firm support of the U.S. and the political backing of the EEC) but there is a perceptible lack of enthusiasm for his appointment in some quarters, particularly among the developing countries. This has been compounded by the belief that he may be too closely linked to the policies of President Giscard d'Estaing.

As a result, the IMF's board of directors has repeatedly delayed formal action on the appointment, even though other prominent candidates have taken themselves out of the running in recent months. Tentative agreement on M. de Larosiere's candidacy was in fact reached among major industrialised nations as long ago as last September at the IMF's annual meeting.

The board's immediate concern is the outcome of the French elections. It is felt that if the Left forms the major part of the next French government, it may have strong objections to M. de Larosiere because of his close links with the policies of President Giscard. On the other hand, if his appointment had been announced before the French election, the Left would probably have accused President Giscard of trying to put his "own man" in a key international economic post.

Some members of the board also feel that, if the Left wins, President Giscard may want to keep M. de Larosiere in Paris to assist him, as his term does not expire until 1981.

More generally there is concern at what some board members see as the politicisation of the managing directorship, always a sensitive issue but more so now because of the strain between the industrialised world and the developing nations.

In addition the U.S. has probably pushed the candidacy of Mr. de Larosiere harder than most over the past few months and has caused some resentment in the process. There is therefore apprehension that if he becomes the managing director, he would not necessarily be able to withstand U.S. pressure as well as Dr. Witteveen has done in the past four years.

These considerations have combined to produce some surprising divisions at Board level. According to one reliable head count, only 12 of the 20-member Board are firmly committed to M. de Larosiere, though this number could rise to at least 14 on the assumption that the Dutch and Italian executive directors respond to political dictates from their respective governments.

In the past, it has been customary for managing directors to be selected with the near unanimous backing of the Board and it is considered unusual that at this relatively late stage there should still be so many reservations.

Although it is entirely possible that in the end the developing and smaller independent industrialised countries will swing behind M. de Larosiere—not least because of the lack of an alternative candidate—they may do so reluctantly, which would pose problems for the new Managing Director.

M. de Larosiere's abilities as a skilled monetary technician and his achievements at the French Treasury are recognised



Dr. Johannes Witteveen

inside the Fund, but some members are known to feel that he lacks the political qualifications to balance all the conflicting pressures that the head of the IMF must handle.

During Dr. Witteveen's tenure, which has been an evolutionary period for the IMF, it is felt that he has demonstrated remarkably acute political antennae, successfully walking the fine line be-

tween the necessary imposition of strict economic disciplines on creditor nations and the political realities with which such measures must often be tempered.

The more active role that the IMF has played under Dr. Witteveen is likely to increase rather than diminish in the years ahead. The managing director, for example, earlier this month once again lent his significant influence to the proposition that the industrialised nations must become more growth-oriented and that external considerations must not temper U.S. expansion.

Even though this particular argument closely parallels the present views of the Carter Administration, Dr. Witteveen has nonetheless managed to establish the reputation of not being the tool of the U.S. Treasury.

Should the succession remain unresolved by the time of the IMF's interim committee meeting in Mexico City at the end of April, the chances of alternative candidates emerging will clearly grow. But there is little evidence of a consensus growing behind anybody else, bar one exception. Should he change his mind, Mr. Denis Healey, the U.K. Chancellor, could have the job, no questions asked.

Canada borrows \$200m. under credit agreement

BY VICTOR MACKIE

OTTAWA, Feb. 28

THE CANADIAN Government has borrowed \$200m. from Canadian chartered banks under its stand-by credit arrangements with them, Mr. Jean Chretien, the Finance Minister, announced late last night.

When the Canadian dollar was weakening a week ago Mr. Chretien said the Government intended to draw on this credit line as an interim step before borrowing funds abroad.

The credit line, totalling \$US1.5bn., was arranged last October. Under the agreement with the banks, the Government can draw funds at any time, paying a standby fee of 0.375 per cent. annually on the undrawn portion.

Money borrowed under the credit facility carries an annual interest rate of 0.625 of 1 per cent. above the London interbank offer rate (Libor) for the first three years and 1 of 1 per cent. over Libor for the next four years.

The Libor for U.S. dollars currently ranges from about 7 per cent. for 30 days to 8 per cent. for one year.

Mr. Chretien did not say what interest rate the Government will pay on the \$200m. borrowing. He said that the \$200m. will be received by the Government

after the end of February and therefore it will not be reflected in the Government's official foreign reserve figure when it is released on Thursday.

Future drawings under the credit facility will be announced along with reserve figures each month, Mr. Chretien said.

● Reuter adds from Ottawa: A Canadian Parliamentary Committee has said that it suspects that part of payments of more than \$17.5m. made in connection with nuclear reactor sales to South Korea and Argentina may have been used for illegal or corrupt purposes.

The Parliament's Public Accounts Committee announced this on Monday after investigating sales of Canadian "Candu" reactors by the Government-owned Atomic Energy of Canada Limited (AECL). The Committee said that the sales involved payments of \$25m. to an unidentified agent in the case of the Argentinian sale, and more than \$16m. in the Korean sale.

U.S. COMPANY NEWS

Chrysler claim blocked; Ethyl forecast; American broadcast rise Page 22

Rail track 'neglect' criticised

Dangerously neglected railway tracks and equipment have been a major cause of derailments such as those last week which killed 29 people in Tennessee and Florida

Mr. Brock Adams, the U.S. Transport Secretary, has alleged, writes our New York correspondent, Mr. Adams rejected suggestions that the Government take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Mr. Adams said that it is not the Government's job to take over and repair track.

Guyana to consume less, and borrow more abroad

BY OUR OWN CORRESPONDENT GEORGETOWN, Feb. 28

FURTHER CURBS on consumption, heavy dependence on external financing, and stepped-up production are the key factors in a \$235m., four-year, capital programme unveiled by the Guyana Government.

The programme, approximating to the first half of the Third Development Plan, will reflect the dominance of the public sector, which now controls 80 per cent. of the economy, with the co-operative and private sectors contributing only 22m.

Foreign loans, mostly for three large drainage and irrigation schemes, will total \$103m. during the period 1978-81.

The four-year projection is contained in the 1978 Budget, which departs from tradition by incorporating the plan period into the whole public sector. The Budget itself was presented only yesterday, just two days before the end of the maximum period allowed by law. The delay was officially attributed to negotiations with foreign lenders.

The Budget estimates for 1978 total \$125m., of which the current account takes \$22m. Deficits on both the current and capital accounts are expected to total \$32m.

In an effort to raise much-needed revenue, and to cut Government spending, the Budget contains \$5m. in new taxes, by raising the consumption taxes on beer and liquor, petrol, cigarettes, furniture and refrigerators, and doubling motor vehicle licence fees.

No new direct taxes were announced, but the indirect taxation, coupled with abandonment of some \$4m. worth of direct budgetary subsidies, is certain to send up the cost of living even further.

Mr. Frank Hope, the Finance Minister, in tacit recognition of the deep-seated problems of the economy, predicted that recovery to an even keel will not take place within the next three years, even given good weather conditions, industrial relations, and export prices.

The economy was evidently in

serious trouble last year. The Budget deficit at the end of the year totalled \$23m. The GDP, at \$200m., showed no growth. Exports at \$132m. (down from \$142m. in 1976), and imports, at \$160m. (down from \$155m.), contributed to a balance of payments deficit of \$47m. But this was less than the gap of \$70m. the previous year.

The external public debt—a heavy economic burden, especially due to compensation payments for nationalisation—stood at \$150m. at the end of the year. The public corporations owed foreign creditors another \$34m. Debt repayments last year stood at \$25m., or 25.9 per cent. of total government expenditure.

The injection of foreign funds into the productive sector is expected to help improve the balance of payments. Exports should increase from \$132m. last year to \$235m. in 1981. Mr. Hope made no mention of current negotiations with the IMF for foreign exchange assistance. But Government sources, while unable to say how much is being discussed, anticipated that an agreement would be signed by mid-year.

Effort to sway miners

BY STEWART FLEMING

NEW YORK, Feb. 28

AFTER 55 days on strike, the United Mine Workers' Union (UMW) is to spend about \$40,000 in the latter half of the week to try to persuade its 160,000 rank-and-file members to vote in favour of the new wage contract offered by the Bituminous Coal Operators' Association (BCOA).

Voting on the contract will begin this week-end. With widespread uncertainty surrounding the attitude of the membership to the new contract, the union and its public relations consultants are mounting an intense campaign on radio and television to persuade the striking miners to vote in favour of the contract. The advertisements will be broadcast in key mining regions and states such as West Virginia, Ohio, Kentucky and Pennsylvania.

In 1974, the last time the membership voted on a contract, it was approved narrowly by 55 per cent. to 45 per cent. Those negotiations were not surrounded by the same bitterness and controversy as the latest bargaining round, however, or the same political upheavals within the union. How the union members will react when they are asked to vote in the secrecy of the ballot box is a question exercising the minds of the union and the coal companies but also the Carter Administration.

The President has already warned that a "no" vote could lead to drastic federal intervention in the dispute in view of the serious implications of such a decision for key industrial regions.

The President has already warned that a "no" vote could lead to drastic federal intervention in the dispute in view of the serious implications of such a decision for key industrial regions.

The President has already warned that a "no" vote could lead to drastic federal intervention in the dispute in view of the serious implications of such a decision for key industrial regions.

The President has already warned that a "no" vote could lead to drastic federal intervention in the dispute in view of the serious implications of such a decision for key industrial regions.

The President has already warned that a "no" vote could lead to drastic federal intervention in the dispute in view of the serious implications of such a decision for key industrial regions.

The President has already warned that a "no" vote could lead to drastic federal intervention in the dispute in view of the serious implications of such a decision for key industrial regions.

The President has already warned that a "no" vote could lead to drastic federal intervention in the dispute in view of the serious implications of such a decision for key industrial regions.

The President has already warned that a "no" vote could lead to drastic federal intervention in the dispute in view of the serious implications of such a decision for key industrial regions.

The President has already warned that a "no" vote could lead to drastic federal intervention in the dispute in view of the serious implications of such a decision for key industrial regions.

The President has already warned that a "no" vote could lead to drastic federal intervention in the dispute in view of the serious implications of such a decision for key industrial regions.

The President has already warned that a "no" vote could lead to drastic federal intervention in the dispute in view of the serious implications of such a decision for key industrial regions.

The President has already warned that a "no" vote could lead to drastic federal intervention in the dispute in view of the serious implications of such a decision for key industrial regions.

The President has already warned that a "no" vote could lead to drastic federal intervention in the dispute in view of the serious implications of such a decision for key industrial regions.

The President has already warned that a "no" vote could lead to drastic federal intervention in the dispute in view of the serious implications of such a decision for key industrial regions.

The President has already warned that a "no" vote could lead to drastic federal intervention in the dispute in view of the serious implications of such a decision for key industrial regions.

The President has already warned that a "no" vote could lead to drastic federal intervention in the dispute in view of the serious implications of such a decision for key industrial regions.

The President has already warned that a "no" vote could lead to drastic federal intervention in the dispute in view of the serious implications of such a decision for key industrial regions.

The President has already warned that a "no" vote could lead to drastic federal intervention in the dispute in view of the serious implications of such a decision for key industrial regions.

The President has already warned that a "no" vote could lead to drastic federal intervention in the dispute in view of the serious implications of such a decision for key industrial regions.

The President has already warned that a "no" vote could lead to drastic federal intervention in the dispute in view of the serious implications of such a decision for key industrial regions.

The President has already warned that a "no" vote could lead to drastic federal intervention in the dispute in view of the serious implications of such a decision for key industrial regions.

The President has already warned that a "no" vote could lead to drastic federal intervention in the dispute in view of the serious implications of such a decision for key industrial regions.

The President has already warned that a "no" vote could lead to drastic federal intervention in the dispute in view of the serious implications of such a decision for key industrial regions.

The President has already warned that a "no" vote could lead to drastic federal intervention in the dispute in view of the serious implications of such a decision for key industrial regions.

The President has already warned that a "no" vote could lead to drastic federal intervention in the dispute in view of the serious implications of such a decision for key industrial regions.

The President has already warned that a "no" vote could lead to drastic federal intervention in the dispute in view of the serious implications of such a decision for key industrial regions.

The President has already warned that a "no" vote could lead to drastic federal intervention in the dispute in view of the serious implications of such a decision for key industrial regions.

The President has already warned that a "no" vote could lead to drastic federal intervention in the dispute in view of the serious implications of such a decision for key industrial regions.

The President has already warned that a "no" vote could lead to drastic federal intervention in the dispute in view of the serious implications of such a decision for key industrial regions.

The President has already warned that a "no" vote could lead to drastic federal intervention in the dispute in view of the serious implications of such a decision for key industrial regions.

The President has already warned that a "no" vote could lead to drastic federal intervention in the dispute in view of the serious implications of such a decision for key industrial regions.

The President has already warned that a "no" vote could lead to drastic federal intervention in the dispute in view of the serious implications of such a decision for key industrial regions.

The President has already warned that a "no" vote could lead to drastic federal intervention in the dispute in view of the serious implications of such a decision for key industrial regions.

The President has already warned that a "no" vote could lead to drastic federal intervention in the dispute in view of the serious implications of such a decision for key industrial regions.

The President has already warned that a "no" vote could lead to drastic federal intervention in the dispute in view of the serious implications of such a decision for key industrial regions.

The President has already warned that a "no" vote could lead to drastic federal intervention in the dispute in view of the serious implications of such a decision for key industrial regions.

The President has already warned that a "no" vote could lead to drastic federal intervention in the dispute in view of the serious implications of such a decision for key industrial regions.

The President has already warned that a "no" vote could lead to drastic federal intervention in the dispute in view of the serious implications of such a decision for key industrial regions.

The President has already warned that a "no" vote could lead to drastic federal intervention in the dispute in view of the serious implications of such a decision for key industrial regions.

WORLD TRADE NEWS

BAC 1-11 stressed in sale appeal by U.K. to Japan

BY DAVID HOUSEGO

A STRONG appeal to Japan to make big purchases from British industry, including the BAC 1-11 airliner, was made by Mr. Michael Muecher, Parliamentary Under-Secretary at the Department of Trade, yesterday.

He declared that the measures Japan had taken to reduce its current account surplus were "inefficient" and that Britain looked for clear signs of a drop in the surplus by the summer. Such purchases would help to restore confidence in Japan's intentions.

In the aerospace industry, he said, Britain also hoped for sales of other aircraft, such as the Conquester, and of Rolls-Royce engines. Other possibilities he pointed to were gas turbines for

naval vessels, medical equipment, enrichment and reprocessing of nuclear fuels, and car components.

Successes on a large scale were necessary if British exports to Japan, which at the moment included no single item sold in volume, were to expand substantially more.

Speaking at a symposium in London on Anglo-Japanese trade organised by the Japan Trade Centre (JETRO) and the British Council, Mr. Muecher said that further fiscal and monetary measures would be necessary if Japan were to achieve its target of nearly halving the current account surplus in fiscal 1978 to \$6bn.

Among those he included an appreciation of the yen "in accordance with underlying economic conditions" and a substantial tax cut.

He welcomed the recent reductions in tariffs announced by Japan on whisky, gin, tea and cars but said that Britain was disappointed at the preservation of high tariffs on confectionery and the differential between duties on Scotch and Bourbon. Mr. Tadao Kato, the Japanese Ambassador in London, said Japan was committed to reducing its surplus as fast as possible but that structural changes in Japanese economy and society were involved that would take time to carry through.

EASTERN EUROPE TRADE

Plant snags worry Poles

BY CHRISTOPHER BOBINSKI IN WARSAW

DELAYS AT a big PVC plant being built by a consortium managed by Petrocarbone Developments in Wloclawek, 80 miles north of Warsaw, are worrying the Poles. But the presence of one of the largest expatriate British workforces abroad in this small Polish town is causing few problems.

Financing delayed by six months the start of the main part of the work on the 60-acre site last March. That and delays over documentation were considered when a new completion date of April 1979 was agreed.

Now, however, it is generally agreed that that will not be met and estimates on site put the date towards the end of 1979 or later.

That worries the Poles. Mr. Stanislaw Adamski, responsible for the project on the Polish side, considers progress on site towards last March and now unsatisfactory.

Rising costs also cause concern. When the contract was signed in 1975 the plant was estimated to be worth £130m, but rising prices changes in specifications by the Poles and a detailed working out of what is in fact needed by the contractors have combined to push that figure up.

The Poles are estimating that the final figure may be half as much again as the original.

Terence North, Petrocarbone's site manager, explains that one of the reasons for the rise is that the Poles "have noticeably more stringent safety regulations." He comments: "We couldn't afford the safety features they want."

Polish construction companies are being brought in as subcontractors to Laiting, which is responsible for the main construction and mechanical work as a way of saving money. Poles will complete half the mechanical contract.

Some work is being done by the Poles alone and there are delays there as well. Although that is not holding up the main work, an article in a recent issue of the Polish works paper, *Alchemik*, says changes are required in the way the project is treated by the Ministries and companies involved.

Laiting has more than 800 men in town. Of the other main companies, Davy Powergas, which is responsible for installing the vinyl chloride minima plant, Catalytic International — the chlorine plant — and Petrocarbone which is putting up the main PVC plant using the Japanese company Shinetsu's technology, all have about 30 people working in Wloclawek. There are about 70 Poles working for Laiting, but there will be more.

The two workforces are learning about each other's traditional habits and difficulties. The Poles, for example, have trouble getting materials together to do a job, although once started the work gets done well.

Again, materials needed a site manager, explaining that one year or more hence are arriving on-site all the time. Tensions are unavoidable.

The British workforce, which should reach 2,000 this year, is paid U.K. rates but with all the

tax advantages of being abroad, and everyone is entitled to a £1,000 bonus for every full year they work and another bonus at the end of the contract. There is also a local currency living allowance.

All are housed in flats 8 kilometres from the site and everyone is entitled to go home for four days every eight weeks.

The main problem is boredom. Wloclawek, a small provincial town of 100,000 people, is striving to provide entertainment for the English. The Hades nightclub caters for some; an English language Mass on Sundays in Wloclawek cathedral for others; the cinema shows a weekly film in English and a swimming-pool and gymnasium are sometimes available.

Local official Leszek Bardowski emphasises that Saturday nights and their inevitable consequences are not a problem. The commonest type of offence seems to be in motoring.

When completed, the plant will produce 200,000 tons of PVC a year, 140,000 tons for export; much caustic soda and various solvents. The Poles are alert to pollution and 14 checking stations are being set up around the factory. But just in case, the surrounding population is being moved out and trees are being replaced by more pollution-resistant kinds.

In 1976 Poland produced 125,000 tons of PVC and imported 31,000 tons. 12,000 tons from Czechoslovakia, the rest from the hard-currency countries.

Pentagon approves German deal

WASHINGTON, Feb. 28.

THE UNITED STATES Defence Department plans to buy \$100m. worth of vehicles and related equipment from West Germany, Pentagon officials said here today.

The order will be the first major overseas purchase by U.S. forces and is part of the

effort to make military sales between the U.S. and NATO reciprocal.

Pentagon officials said the U.S. Army is authorised to begin seeking bids on the proposed sales from West German companies.

Reuter

Aerospaiale may build helicopters in America

PARIS, Feb. 28.

AEROSPATIALE, the French State-owned aviation and space concern, said it envisages building its Astar helicopters in the U.S. to meet growing demand there.

A company official said that U.S. orders for the Astar currently on hand total about 200. Although no decision has been taken at present, he said, such a move would likely involve setting up a joint company with the parent and a locally-based company, Aerospaiale already has a U.S. subsidiary, American Helicopters.

The 5-seat Astar is a version of Aerospaiale's Ecureuil helicopter designed for the U.S. market. It is powered by a Lycoming engine instead of the Ariel engine on domestically-produced versions.

Diana Smith writes from Rio de Janeiro: Brazilian authorities and representatives of Aerospaiale are putting the finishing touches this week on a joint venture destined to assemble 200 Astars and Ecureuil helicopters in Minas Gerais State in the next two years.

president of Aerospaiale, confirmed to the Press in Brasilia yesterday that Aerospaiale is taking a 45 per cent share in association with Helibras, the helicopter manufacturing enterprise composed of the Minas Gerais State Government (45 per cent) and Aerofoto Cruzeiro do Sul (10 per cent).

Initial capital investment will be Cr.62m. (£2.1m.) with Aerospaiale contributing approximately 1980,000.

The Lama helicopters will be destined mainly for pilot training and for export and the Ecureuil for sale on the domestic market. Currently, Brazil has about 180 helicopters compared with France's 1,700. General Mitterrand estimated that five years from now the Brazilian market could absorb from 500 to 1,000 helicopters.

The general played down the question of Aerospaiale's interest in manufacturing missiles in Brazil.

Under the terms of the joint venture with Helibras, Aerospaiale will not collect royalties for transfer of know-how and will commit itself to training local staff.

Japan to spend \$200m. in U.S.

BY CHARLES SMITH

TOKYO, Feb. 28.

ORDERS WORTH at least \$200m. are expected to be placed by a Japanese import mission due to leave for the U.S. on Thursday as part of a joint programme by the two governments to reduce the U.S.-Japan trade imbalance.

The mission, sponsored by Japan's Ministry of International Trade and Industry (MITI), includes about 50 businessmen and a dozen or so government officials. It will spend 15 days in the U.S., visiting 18 cities and dividing into five specialised product groups.

Yoshio Ikeda, the mission's leader, and president of Mitsu, said the mission is expected to place orders for a wide range of goods, including machinery, chemicals, and consumer goods.

MITI said today that Japan had expected the EEC to ask for a Europe-Japan trade facilitation

committee during the current round of EEC-Japan trade talks but no such request has been made. Japan says it is willing to set up such a committee for Europe.

MITI's import department says it is also open to requests for further import promotion missions for Western Europe. For budgetary reasons the next mission could not leave until 1979.

The outstanding feature of the mission is that it contains more than 40 representatives of the Japanese retailing industry, most of whose companies have no direct contacts with U.S. suppliers. Department stores and supermarket chains represented include not only big names from Tokyo such as the president of Mitsukoshi, Japan's foremost department store chain, but also representatives of store chains from north and south Japan. The idea is that retailers are more likely to find suitable goods for import if they visit the country themselves than if they rely on intermediaries.

The mission was organised by the Tokyo end of the U.S.-Japan trade facilitation committee, a body comprising officials of the two governments. It was established last September after U.S. request and has mainly received and investigated complaints from U.S. companies about alleged obstacles to their exports to Japan.

MITI said today that Japan had expected the EEC to ask for a Europe-Japan trade facilitation

Shipyards urged to cut

BY MARGARET VON HATTEM

BRUSSELS, Feb. 28.

VISCOUNT DAVIGNON, the EEC Industry Commissioner, tonight welcomed last month's Japanese decision to cut back shipbuilding capacity, but warned that that would not help Europe unless it was prepared to make similar cuts.

"The Community cannot demand of its partners that they make capacity cutbacks if it is not prepared to do its own part," he told the Anti-Shipbuilding Association.

The Japanese decision "only marks putting capacity on ice, not actually reducing it," he added. "It is no good thinking international co-operation on its own will produce a permanently better distribution of orders. The Community can consolidate its position in the world market only by making itself more competitive."

Viscount Davignon, who last December outlined Community plans for a \$5.5bn. job creation scheme together with a 45 per cent. cutback in shipbuilding capacity over five years, renewed his call for major restructuring to the industry.

"Merely putting surplus capacity on ice is not enough," he said. "For with every upturn in the market that capacity is re-activated and impedes any real improvement in the situation."

Viscount Davignon said that Europe's main rivals, Japan, South Korea and Taiwan, were more competitive in a market where sales over the next five years are unlikely to exceed half the industry's capacity. Europe would have to improve productivity and marketing to offset its higher production costs.

Steel restraint suggested

TOKYO, Feb. 28.

THE Japanese steel industry is ready to discuss with Washington export restraints to the U.S. Mr. Yuzuru Abe, senior vice-president of Nippon Steel, said in a speech released here, to steel distributors in Kuel, Germany, he said. "If a formal request is made by the U.S. Government, the Japanese steel industry will be prepared to discuss a voluntary restraint programme along with the trigger-point system in appropriate consideration of import shares in the market."

The trigger-price mechanism introduced by the Carter Administration would probably lessen the potential nuisance of a long investigation by customers and possibly avert a protectionist trend in the U.S., he said.

Japanese steel exports to the U.S. last year fell 0.9 per cent to 7.8m. tonnes from a record 7.9m. tonnes in 1976, the Japan Iron and Steel Federation said.

The fall reflected charges in the U.S. that Japan was dumping steel goods on the market, it said. Reuter

Iran Air in deal for 11 Airbus A300s

Airbus Industrie, the French-German makers of the wide-bodied A300 airliner, said on Tuesday it is negotiating with Iran Air for an order for 11 aircraft. APUD reports from Munich.

Dowty sells America £3m. mine equipment

Through its U.S. subsidiary, Dowty Group's mining division has won orders worth nearly £3m. from U.S. mine companies. British mining exporters made more than £8m. last year in overseas sales.

Dutch trade balance worsens

AMSTERDAM, Feb. 28.

FIGURES RELEASED today confirm fears of a serious worsening of Holland's visible foreign trade position. The Dutch trade balance in 1977 showed a deficit of Fl.4.7bn. compared with a surplus of Fl.1.5bn. in 1976, according to provisional figures from the Central Statistical Office.

The balance moved back into deficit for the first time since the Fl.815m. deficit in 1972.

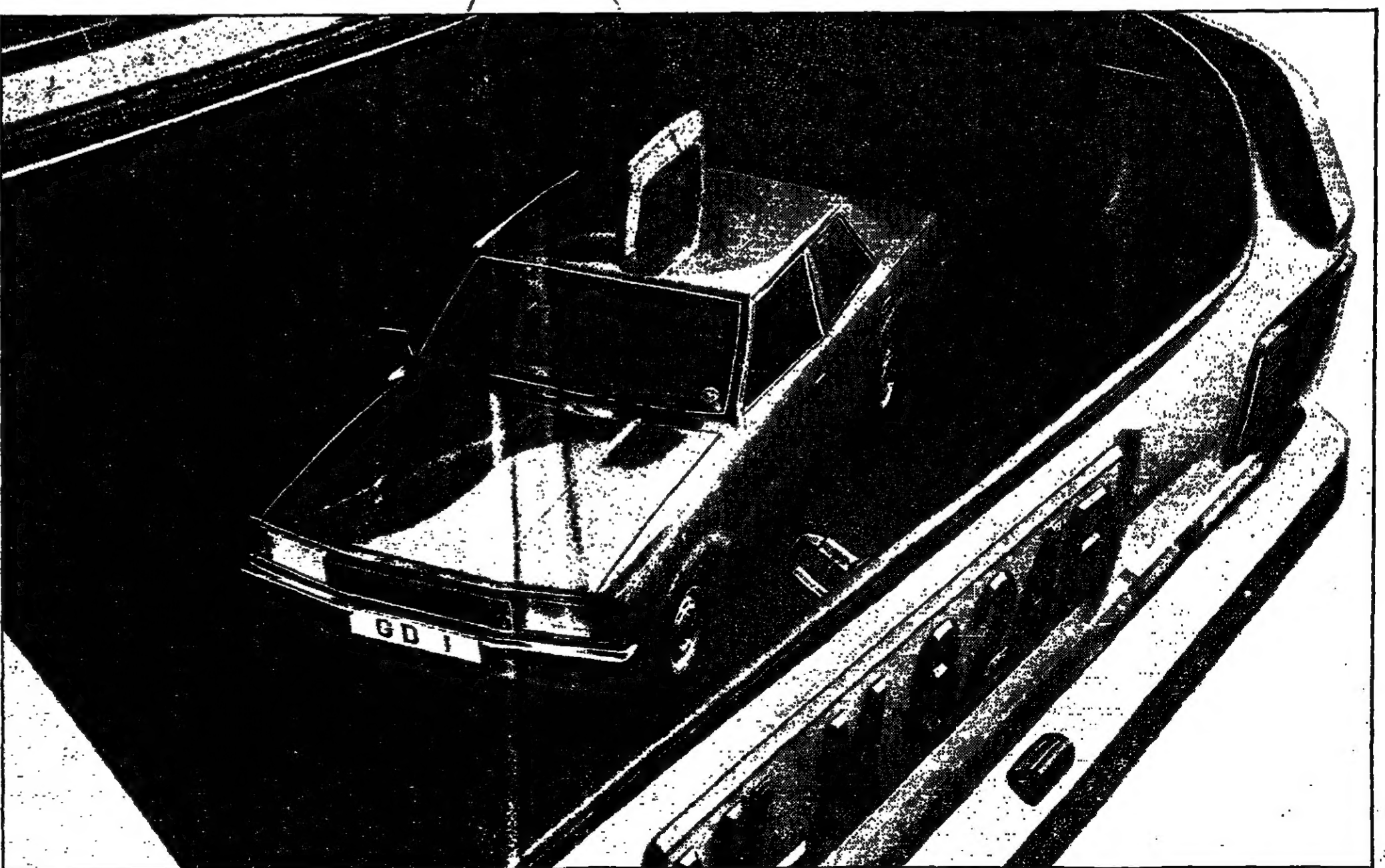
Dutch imports were Fl.111.9bn. in 1977 compared with exports of Fl.107.2bn. In 1976 imports were Fl.107.2bn. compared with exports of Fl.106bn.

December closed with a deficit of Fl.109m. compared with a surplus of Fl.54m. in November. That compared favourably with December, 1976, however, when the deficit was Fl.1.4bn.

December imports were Fl.9.4bn. (Fl.11.49bn. in December, 1976) while exports were Fl.9.31bn. (Fl.10.05bn.).

The steady build-up of a stable trade deficit in 1977 has prompted repeated calls from exporters for greater Government aid. The new centre-right Cabinet has promised assistance but details have not yet been released.

THE SPARE CAR.



If your car is off the road, or you need a second car for any reason, the best people to call are Godfrey Davis. Because a Godfrey Davis car gives you more freedom of movement than any other.

We have the widest rent-it-here, leave-it-there network of any rental company in Great Britain: 161 locations in all. You'll find us in town and city

centres up and down the UK, at every major UK airport, and we are the only car rental company with offices at Inter-City stations.

No wonder General Accident chose Godfrey Davis as the sole car rental contractor for their unique comprehensive "Keep Motoring" Insurance Policy.

Because a Godfrey Davis car is like a spare car. Wherever you

go, there's one close at hand. Why not note down our number?

RESERVATIONS UK & WORLDWIDE

LONDON 01-828 7700
BRISTOL (0272) 294570 BIRMINGHAM 021-780 2414
MANCHESTER 061-437 0635 GLASGOW 041-423 5358
SOUTHAMPTON (0703) 22632

Or call your Travel Agent

Choose from a wide range of Ford and other makes
Unlimited mileage rates on all rentals of 3 days' or more
International network covering 41 countries

Godfrey Davis

Britain's biggest car rental company

MEMBER OF THE BRITISH VEHICLE RENTAL & LEASING ASSOCIATION

HOME NEWS

Healey calls for collective trade action

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

A STRONG warning about the threat to the international economic system from the dead-end economic action to take to correct the weaknesses of the world economy was issued by Mr. Denis Healey, Chancellor of the Exchequer, last night.

As two days of talks in Paris between senior officials ended, Mr. Healey gave his starkest warning yet of the dangers that a failure to take early action would present.

He told the annual banquet of the Diplomatic and Commonwealth Writers' Association in London that so far, neither side in the international debate had been prepared to make the first move towards a solution by accepting the diagnosis of the other.

"Yet both fear that failure to take some action soon may threaten the whole trading system through which the free world has achieved unprecedented growth since the war."

Unless additional measures were taken soon, there would be no chance of the EEC achieving the target of 4 to 4½ per cent. growth this year for which it was aiming last October.

There was "no developing a powerful desire to break the deadlock by acting on all the major problems simultaneously," said Mr. Healey.

The leading countries were beginning to recognise the immense collective advantage of effective joint programmes could be developed in the fields of growth, energy, trade, aid and long term investment and greater currency stability.

Mr. Healey's speech follows several weeks of largely fruitless attempts to build a dialogue between West Germany and the

U.S. The U.K. backs the efforts to produce simultaneous measures by several leading countries rather than the now discarded 'locomotive' approach which placed most of the burden on West Germany and Japan.

Without naming the specific countries involved, Mr. Healey set out both sides of the debate. He pointed out that most countries—and both the IMF and the OECD—took the view that the main problem was growth. This should be tackled at its source through a collective stimulus to demand.

"We believe that, although many countries can join in a collective stimulus, those countries like Germany and Japan which have low inflation rates and large balance of payments surpluses can provide more stimulus than the average without creating inflationary pressures."

Mr. Healey then set out the other side of the debate involving surplus countries (in practice mainly Germany) who believed that the problem must be tackled first through collective action to stabilise exchange rates. The surplus countries maintain that the appreciation of their currencies exercises a deflationary effect on their economies and that the size of the U.S. deficit, especially higher imports, is the main cause of currency instability.

Mr. Healey said that there was a growing recognition that the problem of large current account surpluses not only resulted from the position of some oil-producing countries, but also from the persistent surpluses amassed by attempts to build the dialogue between West Germany and the

Corporate State growth may lead to abuse of power, directors told

BY DAVID CHURCHILL

THE GROWTH of the corporate State and the subsequent abuse of power was the theme which dominated the annual convention yesterday of the Institute of Directors at the Royal Albert Hall in London.

Speakers at the convention—who included Mr. Enoch Powell, MP, Lord George-Brown, and Miss Arianna Stassinopoulou, the writer and broadcaster—all received ovations for their attacks on a variety of aspects of the corporate State.

These included the power of trade unions, the Civil Service, Parliament for passing too much legislation, the Grunwick strikers and the failure of the police to deal with the mass picketing, and the closed shop.

But while diagnoses of the country's ills were prevalent among the speakers, there were few suggestions on what the assembled directors could do individually to solve these problems.

One of the strongest speeches came from Lord Shawcross, former chairman of the City Take-over Panel. He said: "We live in an age of abuse of power in which we are increasingly experiencing the pressures of some would-be tyrants, even the tyranny of various institutions or centres of power."

There was no doubt that the attempt to resolve the Grunwick dispute by a show of force was illegal and that the right to peaceful picketing was grossly abused.

But he described this as a

"continuous course of criminal action which our pusillanimous law officers neglected to put down, and neglected to put down because they were frightened of even greater excesses if they attempted to enforce the law."

The fundamental cause of breakdown was the change in Parliament's attitude. "The rule of law and democracy are complementary, at least in a multi-party society," he argued.

"Members, not only on the Left, regard themselves more and more as mere delegates of the local party keeping instructions from the local managers or from the national executive."

But the worst breakdown of the Parliamentary system, he suggested, would be when Government acted "tyrannically by yielding to the sectional or group interests of those upon whose support they depend—in the present case the trade unions."

Thus a reform of the electoral system was essential if there was to be a return to the rule of law. Lord Shawcross, who was the chief U.K. prosecutor at the Nuremberg war trials, added that he used to say what happened in Nazi Germany and Italy could not happen in Britain. "Now I am not so sure. At least I would be happier with a bill of rights."

Mr. Denis Randolph, chairman of the Institute of Directors, pointed out that in the last three years some 18,000 companies had been forced into bankruptcy. That same time no fewer than 80 pieces of legislation affecting in one way or another the conduct

of business or industry has hit the statute book. Mr. Randolph reminded delegates that the task of the institute was to represent individuals who were responsible for the "vital task of creating this nation's wealth."

He added: "I would suggest to you that the business leaders have done a remarkable job of running the wealth creating sector of our economy in spite of continual and continuing harassment by various Governments. "Hounding, constraining, restricting, watchdogging and now persecuting with sanctions, companies that are producing the wealth and the taxes without which they—the Government—can do nothing. Biting the hand that feeds them."

Rather, it was in the public sector "that one must look for the problem, not to their management, but to the clumsy, ever-changing and inept control by the 'leadened fetters of bureaucracy and the fickle hand of the politicians."

Miss Arianna Stassinopoulou also attacked the growth of bureaucracy. In 1975, she pointed out, Parliament enacted 2,227 statutory instruments and passed 55 major Acts. "Much of this legislation is being shoddy, ill-digested and often meaningless."

"We have forgotten the elementary truth about government, that if it can do things for people, it can also do things to people."

The most ominous development of all was that management itself would become "in-



Mr. Enoch Powell, MP, and Lord Shawcross addressing the Institute of Directors yesterday.

creasingly compliant and content with the cushioned world of subsidies, closed shops, and cosy arrangements with the Government, in the name of tidiness and security."

Lord George-Brown—who was loudly applauded when he announced himself as a trade unionist and company director—also attributed much of the problem of British industry to the closed shop. He emphasised that this was entirely different to the issues of trade union recognition and collective bargaining.

He also said that he was far from happy with the way in which Government departments became actively involved in industry. He welcomed more State

concern in industry but argued that this had to be implemented without damaging individual freedom.

Mr. Enoch Powell, in a closely argued speech, commented that "capitalist free enterprise is essentially a collectivist and not an individual system."

"Paradoxically, the capitalist system is a social and economic system is much nearer to the booby or the sublim than the socialist state: for it depends more on primitive, instinctual behaviour and less upon more highly rationalised attitudes than does socialist state planning."

Mr. Powell also refused to be drawn on whether he would be prepared to serve in a government headed by Mrs. Margaret Thatcher, Conservative leader. Mr. Powell, an Ulster Unionist MP, replied that the question was hypothetical and that such an offer was improbable.

On a different approach to the

overall conference themes of the State and the individual, Mr. Harry Oppenheimer, chairman of the Anglo American Corporation of South Africa, said that the way to peaceful change in South Africa was to remove the restraints on individual freedom of the blacks. "Before—not after—a proper share of political power is transferred to them," he added.

Mr. Oppenheimer commented that in South Africa and Rhodesia the private enterprise system was treated by the authorities as though it were a commodity labelled "for whites only."

"The blacks are then expected to stand together with the whites to defend free enterprise and individual freedom against Communism while they are excluded by official policy from most of the benefits which free enterprise brings."

Tea blenders look for a compromise

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

A COMPROMISE may be negotiated between tea blenders and the Government to avoid statutory price cuts. Under this scheme, price cuts would be smaller than the 5p a quarter laid down in the Government's consultative document published earlier this week, but would come into effect immediately.

On Monday, the Prices Department published proposals to force blenders to reduce prices by imposing a ceiling on wholesale prices. This followed the Government's failure to persuade the companies to accept voluntarily a recommendation from the Price Commission that cuts should be made immediately.

The Prices Department apparently still favours a voluntary approach. The maximum price powers, which are being taken under the 1974 Prices Act, are cumbersome and difficult to monitor. Perhaps more importantly, from the Government's point of view, they would not result in immediate reductions in the shops because retailers

hold two to three weeks tea bought at higher prices.

The indications are that the department might be prepared to accept smaller reductions—probably nearer 3p or perhaps 2p a quarter—if they could be achieved if the tea companies were prepared to give the retail trade a rebate on tea bought at old prices.

Such rebates would be expensive for tea companies which are still furious about what they see as inaccuracies in the report on which the commission's proposals for price cuts were based. But blenders, due to see officials again tomorrow, might decide that in the long term it would be better to give the rebates, and so be allowed to make smaller reductions in prices, than to have cuts of 5p a quarter forced upon them.

So far, however, there is no sign that blenders are prepared to give in.

Probe plea for minorities

BY JAMES BARTHOLOMEW

MINORITY shareholders should have the right to require Trade Department investigations into their companies, Mr. Victor Blank, a partner of City solicitors Clifford Turner, said yesterday. The rule is that the department may investigate a company if at least 200 of the members or holders of a tenth or more of the issued share capital request it. Mr. Blank wants to give such a minority a legal right to such an investigation.

This proposal was one of many made by Mr. Blank with a view

to strengthening the position of minority shareholders. He suggested also that directors' legal duties should be extended and re-defined.

Directors should be obliged to give full and regular information to shareholders and the public, in line with the rule contained in the Stock Exchange listing agreement. Directors then should be under civil and criminal liability if they gave information to shareholders which had not been subject to a high standard of care.

The price curb call that came unstuck

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

THE NAME of Davies is guaranteed a place in any learned tome to be written on the history of price controls.

For the first time in its seven months of operation, the Price Commission yesterday used its powers to recommend an across-the-board restriction in profits, and also prices.

The subject of the recommendation was not the big tea blenders, now embroiled in a battle with the Department of Prices, nor the brewers, but 14 local coal merchants in West Wales with average sales of £10,000 a year each.

No less than four of them have the name Davies in their titles and most of them had what the Commission described as an "unsophisticated" approach to accountancy.

After three months of investigation, during which it stumbled to a prima facie case of an unfair registered price ring, the Commission recommended that the companies' gross margins should be restricted by varying amounts to about 5 per cent until October.

It confirmed the Welsh Consumer Council's suspicions that

the prices charged in this particular corner of Presell and West Pembrokeshire were appreciably higher than those in other parts of Wales, and concluded that there was no justification for this differential.

But in spite of the obvious political attractions of being able to finally enforce one of his department's recommendations, Mr. Roy Hattersley, the Prices Secretary, had to concede yesterday that in this case, the Commission's proposals were not practicable.

Under the price legislation, the longest restriction on profits which the Commission can recommend is 12 months, starting from the date the original reference was made.

In the case of the coal merchants, this meant October. But, as few people buy coal in the summer months, it would be pretty pointless to restrain the merchants' profits before the peak buying season starts in the autumn.

Such an order just might have reaped an unexpected dividend in the form of cheaper fish however. Some of the companies have interests outside coal. One

BNOC can buy 51% of Beatrice crude

By Ray Dafter, Energy Correspondent

THE GOVERNMENT has gained further control of North Sea oil reserves following the latest State participation deal with partners involved in the Beatrice field development.

British National Oil Corporation has gained the right to buy up to 51 per cent. of the oil from the shallow water field once it is brought into production next year or in 1980. Interests in Beatrice, which lies in the Moray Firth block 11/30, are: Mess Petroleum (25 per cent); Kerr McGee (25 per cent); Hunt Oil (20 per cent); Creolex (15 per cent); and O Petroleum (15 per cent).

The agreement means that the Government has almost completed its negotiations for arrangements to give the Department of Energy and its advisers access to more information about offshore fields. Agreements have been signed with 36 companies leaving deals involving just ten more companies to be completed. The ten include two major U.S. groups, Mobil and Amoco.

Apart from gaining access to much of the Beatrice crude, the field is thought to contain between 180m. and 200m. barrels of recoverable reserves—BNOC has won the right to have an effective voice in the management of the project.

Companies involved in Beatrice have also agreed to hold regular and effective consultations with the Energy Department on matters relating to offshore operations and associated activities.

The Department said that the companies had agreed to provide BNOC with certain additional information relating to their early development and appraisal activities so that the corporation could carry out its Government advisory role. Industry estimates suggest that Beatrice could build up to a peak of around 80,000 barrels a day.

Callaghan promises steel statement

BY ROY HOBSON

THE Prime Minister promised the Commons yesterday that the Government will make a statement before Easter on the problems of the British Steel Corporation, now losing more than £2m. a day, and that legislative proposals to help the industry would follow.

The Government has to act soon to ease British Steel's financial strains by raising its borrowing limits by perhaps £20m above the present limit of £40m.

Ministers are reacting to pressures from Parliament following publication last week of the scathing report into the financial forecasts of British Steel from the all-party Select Committee on Nationalised Industries.

Negotiations between British Steel and the unions at local level have enabled the corporation to put before Mr. Eric Varley, the Industry Secretary, new proposals for early works closures.

The Government now seems prepared to support British Steel on a more active closure programme because workers at a number of the Beswick process works (being kept open for social reasons) are prepared to accept redundancy.

The next round of steelworks closures may be decided to-day when Sir Donald Williams, chairman of British Steel, meets Mr. Varley.

Parliamentary pressure upon the Government and British Steel is expected to be renewed to-day following a meeting of the select committee.

Some members believe the committee has gone far enough with its report and should allow Ministers and British Steel to take action.

But the consensus view of the committee is still that its latest report has been unreasonably denigrated by the Government and there should be a Commons debate on steel policy.

Because of poor steel sales British Steel is being forced to mothball a £15m. steel freight centre at Bilston in the Midlands. Although the centre is still being built and is due to be completed next month, it is clear that the 60-acre installation cannot be used economically while demand for steel is depressed.

It was designed to take shipments of 6,000 tonnes of steel a week by rail from the mills at Teesside and Scunthorpe and to make deliveries to customers in the Midlands.

Accounting standards problem clarified

BY CHRISTINE MOIR

THE CONFUSION between international accounting standards and domestic standards is now to be cleared up. In the future companies need worry only about U.K. standards, which will automatically comply with international standards.

The Department said that the companies had agreed to provide BNOC with certain additional information relating to their early development and appraisal activities so that the corporation could carry out its Government advisory role. Industry estimates suggest that Beatrice could build up to a peak of around 80,000 barrels a day.

Second, the implementation of

new international standards will be held back until a domestic standard has been introduced. Then the domestic standard will include a clause stating that it complies with international recommendations.

The effect will be to save executive and auditors time. By following the U.K. or Irish standard companies will know that they are automatically complying with international standards. However, there may be a few cases where domestic standards vary from international ones.

Foundries 'not told of demand' by motor manufacturers

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE U.K. motor manufacturers are criticised in two National Economic Development Office reports to-day for failing to keep the foundry industries informed about future demand forecasts.

The Ferrous Foundries "Little Noddy" says it is concerned about "the lack of reliable information on the demand prospects from the automotive sector and notification of the foundry investment plans of the major motor manufacturers."

A particular problem is that high-volume casting capacity needs to be planned and dedicated to serving this market if the automotive performance is to be achieved, says the Ferrous Foundries group.

The absence of a dialogue with customers, including discussion of their plans for in-house production of castings, has caused great uncertainty among independent foundries as to their investment plans.

The fear is that without a better planning dialogue over or

under-capacity will result in this sector. NEDO has undertaken a survey of the major motor manufacturers seeking estimates of casting demands to 1980-81. This projected a growth of demand of about 30 per cent. on 1976 levels.

However, "the industry is not convinced that this estimate is reliable, and the NEDO would wish to establish better contacts with this major customer sector."

The Non-Ferrous Foundries group "regrets the failure of the Department of Industry's inter-parliamentary committee and its components sub-group to function as a channel of information."

The Ferrous Foundry working party has prepared tentative forecasts of demand which shows a rise of 5 per cent. on 1976 output by volume by 1980 and 6 per cent. by 1982.

Those forecasts will need to be monitored and the forecasting base improved."

It points out that forecasts beyond this year are "highly tentative" and that they assume a cyclical upturn in the economy to a peak next year and again in 1982-83 and an underlying growth rate in gross domestic product in 1978-79 of about 3 per cent.

"Hopefully the general economic situation will improve at a rate which will permit higher growth, but the industry cannot presently be described as one with major growth potential."

Very little, if any, rise in total employment by the ferrous foundries is forecast up to 1982. But manpower constraints might arise because of the changing mix of skills the industry requires.

The sector working party maintains there is a danger that smaller foundries, which provide an invaluable service by producing small batches and one-off castings for a wide range of engineering customers, will find it increasingly difficult to survive.

Arab oil funds fraud man jailed

UNDISCHARGED BANKRUPT

William Morley was jailed for five years at the Old Bailey yesterday for defrauding people of £207,000 with false promises that they could obtain loans totalling £13.5m. from Arab oil sources.

Morley, 62, an ex-convict with previous convictions for fraud and forgery, was sentenced to a two-year jail term and a fine of £5,000 for the same offences.

He was found guilty on three charges of conspiring between December, 1974, and March, 1976, to obtain property by deception and one charge of attempting to obtain property by deception.

Patrick Albert Ronald Killick, of Bristol, was found guilty on one charge of obtain-

ing property by deception and given a two-year jail sentence suspended for two years. He was acquitted of the conspiracy charge.

Judge John Marnas, QC, said that the jury's verdict, with which he fully agreed, showed that Killick had entered the affair innocently, but at a comparatively late stage realised it was a fraud.

Mr. David Tudor Price, prosecuting said that conspirators in the present case included Mr. Francis Alan Zalk, 39, from America and Dr. Hueli Abukhalil, believed to be in Cairo, who were both beyond the reach of British justice.

He said that these two pre-

ferred to potential borrowers that they had access to millions of pounds of Arab funds from oil revenues, when in fact no such money was available to them.

They demanded a commitment fee of 1 per cent. in advance plus commission on the required loan.

Borrowers were promised that if the loan did not come through the fee and commission would be repaid, but it never was. Morley acted as the broker and introduced English and Scottish borrowers to the source of the funds. In all they obtained £237,000 on promised loans of £13.5m., but not all that money was lost. Mr. Gibson Lee, defending Morley, said that £150,000 had been recovered.

Government warned on shipping

By Our Shipping Correspondent

MANY GOVERNMENTS fail to realise the extent to which they are financially exposed as a result of the worsening crisis in world shipping, Sir James Dugan, chairman of the London-based International Maritime Industry Forum, said yesterday.

Sir James said he struck to the forum's previous estimates that Government commitments would be in excess of £200m. in the next seven years, but there were still signs that the gravity of the problem had not been grasped.

Sir James said the general feeling from the forum, which represents bankers, shipowners, shipbuilders and some oil companies, was that there would be more shipping bankruptcies as lending institutions foreclosed on debts.

He maintained, however, that the banks were far less exposed than governments. This was why it was vital that political decisions be taken to curb shipbuilding capacity and reduce excess tonnage in shipping markets.

Protest at pay clause in building contracts

BY OUR BUILDING CORRESPONDENT

LEADERS of the construction industry yesterday met Mr. Peter Shore, Secretary for the Environment, to complain about the Government's decision to enforce its pay policy by inserting "10 per cent" clauses in public sector contracts.

The Minister was told that the industry considered the proposal unworkable as contractors could not be expected to be responsible for the wage settlements of any sub-contractor employed on a building scheme.

Industry leaders also told Mr.

Shore they objected to the "open ended" nature of the legislation, which they claimed could be implemented, again, without Parliamentary approval, to enforce Government policies across a wider range of policy areas.

The Property Services Agency, which is the construction sector's single biggest public sector client, is already using contracts with the controversial clauses included.

Mr. Shore said he would discuss the industry's representations with his Cabinet colleagues.

Port chief to retire

By Our Shipping Correspondent

MR. WILLIAM BOWEY, 53, executive vice-chairman and managing director of the Port of London Authority, is to leave at the end of this month because of ill health.

To spread the work load the PLA has made two appointments to cover Mr. Bowe's area of responsibility. Mr. John Friesland, 47, becomes

chief executive and Mr. John Black, managing director of day-to-day control of the port's operations. Mr. Friesland was formerly finance director and Mr. Black director of docks. Mr. Robert White, will be responsible for the port's operations. Mr. Friesland, 47, becomes

HOME NEWS

Farmers lost £3m. in West Country blizzards

FINANCIAL TIMES REPORTER

FARMERS may have lost over £3m. during the recent West Country blizzards, the National Farmers' Union said yesterday. The estimated losses include the deaths of around 30,000 ewes, costing £1.3m.; 40,000 lambs (£200,000); £500,000 in lost milk production.

Glasshouse growers may have lost up to £250,000 in lost crops, while the damage to farm buildings could amount to another £250,000.

The NFU said yesterday it wanted to avoid giving the impression of crawling to the Government for help.

The losses had been concentrated on a small percentage of the West Country's 23,000 farmers, but these would need as much help as possible, it said on the eve of a two-day visit to the area by Sir Henry Plumb, union president.

Trawler crash public inquiry

THE DEPARTMENT of Trade is to hold a public inquiry in Glasgow into the foundering of the trawler *Roche* after a collision with another trawler, *Sirona II*, which later sank. No date has been fixed.

Leyland safety check on Sherpa vans

FINANCIAL TIMES REPORTER

BRITISH Leyland is recalling 29,000 Sherpa vans for a safety check on rear spring retention plates. Failure can affect steering.

Where necessary, the part will be strengthened. The job takes about one hour and is expected to cost Leyland more than £145,000.

Owners are being contacted through the Driver and Vehicle Licensing Centre at Swansea. Vehicles affected carry chassis numbers up to 40215 for series

Shetland's oil port deal may be agreed

BY RAY PERMAN, SCOTTISH CORRESPONDENT

AN AGREEMENT covering the operation of the port at the Sullom Voe oil terminal, and the amount oil companies will have to pay to use it, is expected to be given final approval tomorrow by the Shetland Islands Council. It will run, at least until August 2000, and has taken three years to negotiate. The council will have ownership and control of the jetty, port buildings, and other equipment under construction, but the cost will be more than met by payments from companies using the port.

Mr. Alexander Tulloch, chairman of the council, said yesterday: "no burden would fall on

to protect traditional industries from the upheaval caused by oil developments.

Mr. Ernest Urquhart, chief executive, says in a report to the council that the revenue from the levy could amount to £1.5m. a year by 1981 (at December 1977 prices) and over the full life of the agreement revenue could total £25m. This appears to be on the cautious side.

The council has also set up a joint venture with two shipping companies, Clyde Shipyard and Cory Ship Towing, to operate the three tugs in the port. Again, all operating costs will be met by the oil companies.

Thames Water Authority to discuss price probe

BY JAMES McDONALD

THE THAMES Water Authority will hold a special meeting in London on Friday to consider the Price Commission's decision to investigate the increased charges proposed by the authority in January.

The authority planned to increase charges by 15 per cent. for householders—£3.50 more a year up to £37.50 for the average London household—and 18 per cent. for commerce and industry.

Friday's meeting will receive a recommendation from the authority's finance sub-committee on what action could be taken. The Price Commission's decision—announced on February 17—means that the higher

charges cannot be implemented during the period of the inquiry, which must be completed by May 23.

The commission, however, is able to allow interim increases and is obliged to do so to the extent to which "safeguard" provisions on minimum profit levels operate.

The water authority has been

Production of beer recovers

By Kenneth Gooding

THE brewers started 1978 well with beer production rising 16.4 per cent. to 2.8m. bulk barrels (roughly 806.4m. pints).

However, the apparent improvement represents a return to more normal trading levels.

January is an unusually volatile month in the brewing year and since 1974 production has been falling, by 2.6 per cent. in 1975, by 15.5 per cent. the following year and a further 4.4 per cent. to 2.4m. barrels in 1977.

Distortions

The January total this year was still around 8.5 per cent. below the 3.06m. barrels produced by the industry in 1974.

Another distorting effect this year was the widespread expectation of price increases. This would be bound to lead to some stockpiling. With interest rates at low levels, the cost of building stocks is lower than it has been for many years.

The industrial disputes which hit production in the early part of 1977 also had the effect of causing uncertainty among retailers and gave them even more incentive to keep stocks at a relatively high level.

Engineers' licensing 'not practicable,' says federation

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE Engineering Employers' Federation, in its submission to Sir Monty Finniston's committee of inquiry into the profession, insists there is no case for licensing of professionals and "if there was, it would not be a practicable proposition."

In a written submission which will not be received by most of the professional institutions, the employers maintain that from an industrial point of view, membership of one of the institutions puts little added value on a person now that the minimum qualification is a university degree.

On the thorny question of registration of professional engineers, the federation says it could raise the status of the profession. But "it should be simple and the register kept carefully by, for example, the Department of Industry. It is felt strongly that the register should not be kept by the Council of Engineering Institutions or the professional institutions." The federation maintains that in the Ruhr coalfields would have a take-home pay at least three or four times his own. But he added: "I am not asking for more money. I am pointing out one of the problems we are facing." Sir Derek, who is also chairman of the British Institute of Management, was outlining a plan the Institute will be putting to the Government.

Sir Derek's cash complaint

SIR DEREK EZRA, chairman of the National Coal Board, claimed yesterday that he would be just as well off as the manager of a West German coalmine. His nearest West German equivalent in the Ruhr coalfields would have a take-home pay at least three or four times his own. But he added: "I am not asking for more money. I am pointing out one of the problems we are facing." Sir Derek, who is also chairman of the British Institute of Management, was outlining a plan the Institute will be putting to the Government.

Call for big increase in child aid

Financial Times Reporter

UNDER THE Labour Government children were getting their worst deal for 30 years, and child benefits should be raised substantially, Mr. Frank Field, director of the Child Poverty Action, said yesterday in a pre-Budget submission.

A generous rise in child benefits would curb increases in the 1.5m. children now living close to the officially-designated poverty line. It would also combat the disincentive to work, which poor families now face.

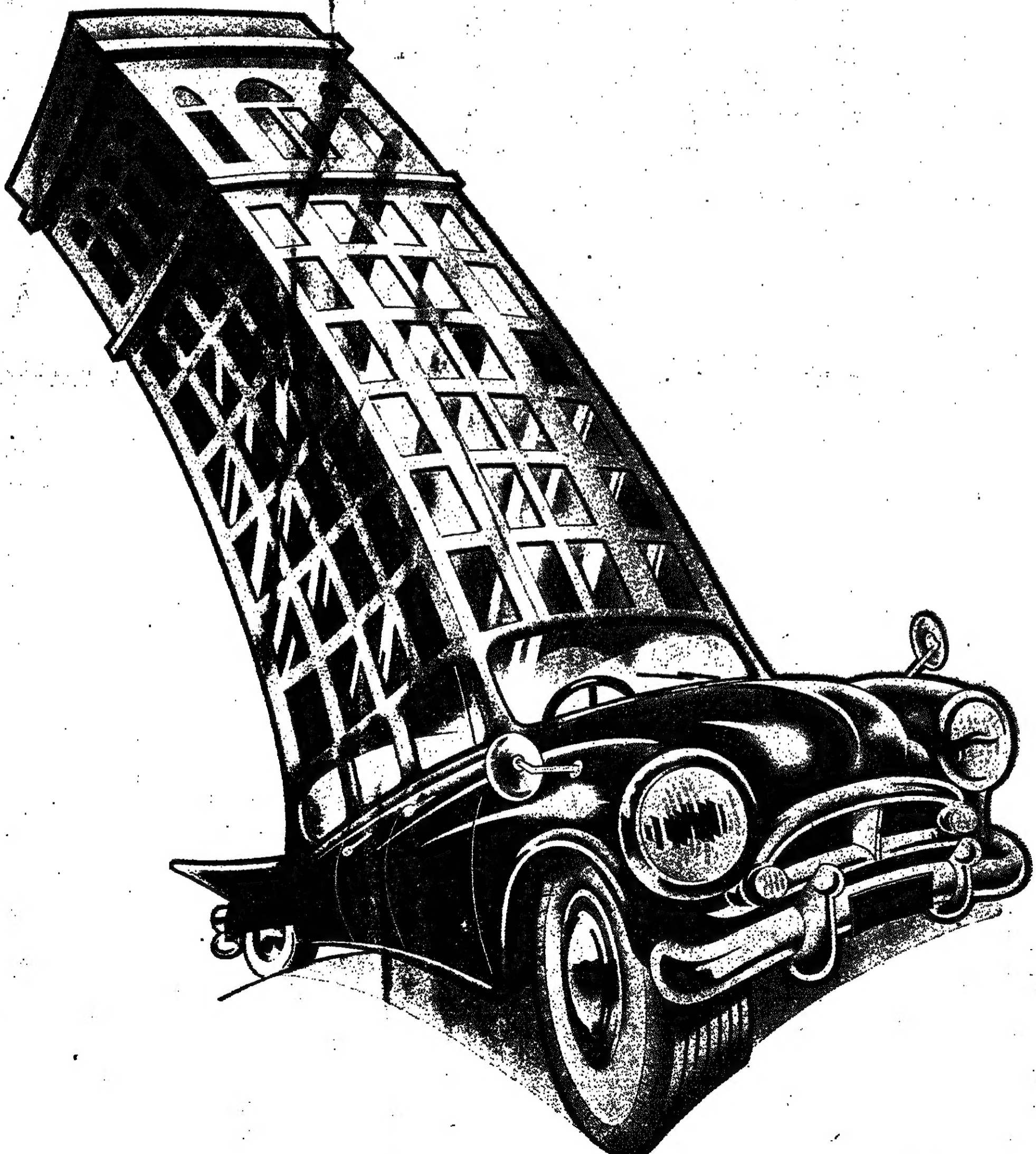
Examining the Government's record since 1974, Mr. Field said the tax burden for families had accelerated far faster than for other groups, with no compensating changes in benefit.

Child benefit had risen only twice in the last four years, compared with five rises in other important social security benefits.

Badly hit

Families had been badly hit by inflation, so that "overwhelmingly and almost exclusively" they had become the principal victims of falling living standards, since oil prices went up. Mr. Field also warned of the electoral consequences as families became more aware of discrimination against them. The Government could face an election campaign saying that families were worse off under Labour.

Children Worse Off Under Labour by Frank Field—Poverty Pamphlet 32; Child Poverty Action Group, 1, Macklin St., London, W.C.2, 33p.



Warship builders 'face tougher competition'

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

BRITISH WARSHIP builders would have to struggle to maintain present levels of profitability, Mr. Andrew Shaw, the recently-appointed chief executive of Vosper Thornycroft, warned yesterday.

He said that foreign competition, especially from European shipyards, was becoming tougher. The British specialist yards, and the Government which gave them support, would need to be sharper in future.

Mr. Shaw said there was unlikely to be any early announcement of new orders at Vosper Thornycroft, although the company is known to be seeking business in Kuwait and Argentina.

He also emphasized that there was no question of Vosper joining to co-operate fully with British Shipbuilders. Any impression from the past that the company was against State ownership could now be forgotten, he said.

One organisational matter which Mr. Shaw has sorted out

during his month in office has been the relationship between Vosper Thornycroft and Vosper Ship-repairs, which was made into a separate company when it appeared ship repair would be excluded from the nationalisation legislation.

Under a declaration, approved by British Shipbuilders, Vosper Thornycroft and Vosper Ship-repairs have expressed their determination to "work together to foster the historic links between their enterprises" although the repair company will report directly to British Shipbuilders.

British Shipbuilders has appointed Vosper Ship-repairs, which is based at Southampton, as the corporation's lead yard for warship repairs.

Mr. John Wilde, chairman of the ship repair company, said he expected half the yard's future workload to be naval. Much of this would be for foreign navies, although some would be over-spill work from the Royal Navy dockyards.

No need to import jars, says United Glass chief

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

NO BOTTLES or jars need be imported this year, Mr. Vic Hender, managing director of United Glass, one of Britain's two main glass container manufacturers, said yesterday.

Last year imports of glass containers roughly doubled to 570m. units because customers did not believe British manufacturers could cope with demand.

In the first half year, total sales soared by 14 per cent., but demand then sagged during the second half and was 3 per cent. down. By then, however, many big bottle-users were committed to export contracts.

These were made more attractive by the low cost of imported bottles. Demand in Europe fell so steeply that manufacturers there were willing to supply at

cost to keep plant going. Even so, about 40 per cent. of Italian production and between 10 and 15 per cent. of French capacity was shut down and there were closures of factories and a shut-down of furnaces in West Germany and Denmark.

Mr. Hender, whose United Glass company manufactures about one-third of the U.K.-produced glass containers, said yesterday that the fall in British demand had enabled manufacturers to rebuild stocks to reasonable levels.

United Glass is forecasting that 1978 will be a "typical year" and that demand will average out at an increase of between 2.5 and 3 per cent.

United Glass expenditure programme Page 20

Before you invest in a building, you like to know what it costs to run.

When you plan a new building, you plan an economic proposition.

To be sold, rented, or run by you. That's why you must plan your energy use first.

It's called Energy Management. Crucial, given energy costs today. Because every building designed to its principles is built to last-planned as it is from the viewpoint of working efficiency, comfort for the people in it, and long-term economical energy usage.

One of the pioneers of Energy Management is the Electricity Supply Industry.

Any of their Boards can help your planners with those specialist details, which, if neglected, will only land on your desk later.

What the best balance should be between day-light and electric lighting.

Modern heat recovery systems. All sorts of problems, essential to solve at sketch-plan stage.

They can also offer, where appropriate, the

service of a unique computer program called BEEP.

This can provide your planners with a detailed analysis of a building's energy requirements, consumption, and running costs. All relevant tariffs for electricity, gas, oil, coal and water are included in the program.

It's very simple.

Before you can save energy, you must plan it properly. This is what Energy Management is all about. For full details, contact your Electricity Board.

PLANELECTRIC
The Electricity Council, England and Wales.

Brick deliveries up

BY OUR BUILDING CORRESPONDENT

BRICK deliveries in Great Britain during January rose to 226m compared with 222m in the month before. In January, 1977, deliveries were 225m.

Figures collected for the Department of the Environment show that production of bricks in the first month of 1978 reached 394m, against 350m in the previous month and 287m in the same month of 1977.

Stocks at the end of January amounted to 330m, bricks, a rise of 60m on the month before and just over 300m more than in

January of last year. The Department estimates that in the three months from November 1977 to the end of January 1978, output by brick manufacturers was 1 per cent. up on the earlier quarter but 2 per cent. down on the same period 12 months before.

Department figures show that cement deliveries in the U.K. during January averaged 212,000 tonnes a week, a fall of 2,000 tonnes a week from December 1977 and of 2,000 tonnes a week from January last year.

PARLIAMENT AND POLITICS

Owen still hopeful on Sadat initiative

By Richard Johns

DR. DAVID OWEN, Foreign Secretary, last night expressed cautious optimism that President Sadat's initiative in negotiating directly with Israel to bring about a Middle East peace settlement was "not simply going to run into the sand."

He admitted, however, that while Syria stood aside it was difficult to be hopeful about progress. His speech also omitted any mention of the Palestine Liberation Organisation and its claim to represent the Arab summit of 1974—to represent the Palestinian people.

In the most comprehensive UK statement on the problem yet, Dr. Owen gave no indication of a shift in the Government's policy but emphasised its belief in arrangements for demilitarised zones as an important part of a peace agreement and interior arrangements over a period of years. But, while recording Britain's record of opposition to Jewish settlement in the Arab occupied territories, he failed to make a fulsome condemnation of them.

At one point, however, the Foreign Secretary introduced a proposal that seems bound to raise a hostile Israeli reaction. Discussing the future of the Gaza Strip, he suggested that the problem "could be tackled by reciprocal land exchange, be it by hectare, or by settlements."

He said: "The Egyptians dislike settlements, seeing them as little pockets of Israel in their own defence force and they find this difficult to square with the return of the land to their own sovereignty."

The Foreign Secretary, endorsed, in spite of unspecified "qualifications and elaborations," the British Government's view that the proposals put forward by Mr. Menachem Begin, Israeli Premier, last December were "constructive"—in particular, the fact that it was put forward as a plan for five years, that it was not a permanent solution and that it would allow for transition to an eventual solution.

Dr. Owen acknowledged Arab reservations but noted the progressive deterioration of the situation in the Middle East over the past 30 years asserted: "I am unhesitating in advocating the taking of steps within a transitional process even without having absolute certainty as to its outcome."

On the Palestinians, Dr. Owen went no further than restating the EEC view expressed last summer to the effect that a solution to the problem of their "legitimate" rights, involving an expression of national identity, would have to involve taking into account "the need for a homeland for the Palestinian people."

Britain was reluctant to state its own categorical view prior to the negotiations but would try to circumvent this problem for the present, he said.

Judge heads inquiry into Crown Agents

By Ivor Owen, Parliamentary Staff

A HIGH COURT judge will head the three-man Tribunal of Inquiry which is to probe the £236m. losses incurred by the Crown Agents on their "own account" activities in property speculation and secondary banking between 1967 and 1974. Mr. Rees, Home Secretary, announced in the Commons last night.

He repudiated suspicions, voiced by Labour backbenchers, that the inquiry would take so long to complete its work that the effect would be little different from a "cover-up" operation, but admitted that its report is unlikely to be published in less than a year.

It was said that the report of this inquiry will not come to this House, even if this Parliament lasts well into next year," he stated.

With these words, Mr. Rees gave added weight to suggestions from the backbenches that a general election could well intervene before the tribunal completes its task.

The Government motion appointing the tribunal, under the Tribunals of Inquiry (Evidence) Act 1921, was approved without a division.

Under the terms of reference, it will investigate "to what extent there were lapses from accepted standards of commercial or professional conduct or of public administration in relation to the operations of the Crown Agents as financiers on own-account in the years 1967-74 described in the report of the Committee of Inquiry on the

Crown Agents." Mr. Rees recalled that the decision to appoint the tribunal was taken by the Prime Minister after MPs refused last December to accept the Government's earlier proposal that a further inquiry into the own account activities of the Crown Agents should be conducted in private.

He gave an assurance that the safeguards suggested by the Salmon Commission to protect the interests of those who appeared before the tribunal would be applied.

Mr. John Mendelson (Lab., Penistone) who, in December, led the revolt by Labour backbenchers which overturned the proposal for an inquiry conducted in secret, urged the House not to be concerned by suggestions that a public inquiry ruled out the possibility of prosecutions in the courts against those who might be found to have acted wrongly.

He claimed that it had already been decided "in high Government circles" before the December vote that there were not going to be any further prosecutions.

Mr. Mendelson said the tribunal would ensure that anyone who had engaged in wrong practices would be "shown up" and named so that the whole nation would know who was responsible.

The "cover up" suspicions were first expressed by Mr. Arthur Lewis (Lab.) Newham (NW) who envisaged the tribunal taking a considerable period to complete its task. By

the time its report was published, it would be found that no action could be taken. He feared that "top people in top places" would get away with things.

Mr. Michael English (Lab., Nottingham W) stressed the need for the tribunal to examine officials from the Ministry of Overseas Development, the Treasury and the Exchequer and Audit Department. Inquiries he had made suggested that there were no proper accounts relating to transactions involving millions of pounds.

Mr. Dennis Skinner (Lab., Bolsover) described the tribunal as the best inquiry that could be obtained in the circumstances, but he still felt sceptical about the outcome. Those involved in the affair included the "most powerful lobby in the land" which embraced the Treasury, the City of London and the Bank of England.

Mr. Skinner agreed with Mr. Lewis that the proceedings of a tribunal were likely to take so long that the people involved might be "let off."

Mr. Roy Cunningham (Lab., Islington South and Finsbury) said he had questioned the use of the tribunal of inquiries procedure from the outset because he believed that the ultimate conclusion would be that it was unfair to blame individuals.

The chairman of the Assembly campaign, Mr. Elystan Morgan, a former Labour Minister at the Home Office, put the growth of this impression down to the fact that the anti- "dominated the pitch" over the past year. He is confident that at the end of a campaign stressing that devolution offers a chance of better government for Wales, there will be a solid vote in favour.

Devolution battle switches to Wales

By Kevin Reeves, Welsh Correspondent

THE COMMITTEE stage of the Wales Bill starts in the Commons today—St. David's Day—and the pro- and anti-Assembly forces in the principality are beginning to stir themselves for the possible referendum battle later this year.

On Monday, an assortment of Labour, Liberal and trade union representatives relished the Wales for the Assembly campaign, after a year of inactivity following the defeat of the Government's original devolution Bill in 1976.

Campaign steering committees are being organised throughout Wales aimed at building a broad-based umbrella organisation which the organisers hope will transcend traditional party political allegiances.

The next few weeks are likely to witness the appearance of other groups, such as Welsh sportsmen and entertainers seeking to counter the widespread belief that a "no" vote in the Welsh devolution referendum is a foregone conclusion.

The chairman of the Assembly campaign, Mr. Elystan Morgan, a former Labour Minister at the Home Office, put the growth of this impression down to the fact that the anti- "dominated the pitch" over the past year. He is confident that at the end of a campaign stressing that devolution offers a chance of better government for Wales, there will be a solid vote in favour.

Mr. Morgan said that the Government had ruled out any direct financial aid to the campaign. Initially the campaign is appealing for £10,000 and eventually £50,000 towards counteracting what the organisers fear will be a flood of financial backing for the anti- devolution forces from the business community, with the encouragement of the CBI and similar organisations.

So far, the anti-assembly forces have not established a similar body. They are hoping to launch a new party, the National Party, in the belief that an umbrella organisation will emerge.

But a major difficulty is that Labour's anti-Assembly leadership, including the four vociferously anti-Assembly MPs, Leo Abse, Donald Anderson, Ioan Evans and Neil Kinnock, will hardly be anxious to collaborate with the only official anti-devolution party in Wales, the Conservatives.

Even so, pro-devolutionists recognise they will have their work cut out. As an interesting new book, "On the politics of devolution makes clear, what used to be called 'Home Rules' has been an issue in Wales since the 19th century but the groundswell in favour has receded in the past and in today's more difficult economic climate, without the lubrication of all revenue, it could do so again.

In today's debate, pro-devolutionists in the Labour, Liberal, and trade union ranks are going to present the measure as a logical development of the Government's policy in Wales, and a natural swing from the bureaucracy of the Welsh Office, first established in 1964, towards democratic accountability.

They are keeping their distance from Plaid Cymru, arguing that the Welsh nationalists want something completely different from the Assembly. Within Plaid Cymru there are voices advocating, if not outright opposition, on the grounds that the Bill does not go far enough.

The Welsh Assembly proposed by the Government would be a very different animal from its Scottish counterpart. Whereas the Scots are offered something akin to a mini-government, with legislative powers, the Welsh Assembly would be more like a souped-up regional authority.

It would have executive powers and would work mainly through a series of specialist committees, debating the distribution of the block grant handed down by Westminster. The assembly would draw up plans for the reform of Welsh local government, the Conservatives' 1974 reorganisation being widely regarded as unsatisfactory throughout Wales.

To the extent that the Wales Bill does not impinge upon the sovereignty of Parliament it ought to have a smoother passage through Westminster than the Scottish Bill. It is being noted with interest in Cardiff that Mr. George Cunningham MP, the architect of the 40 per cent. threshold amendment in the Scotland Bill, said last week that he regarded the Wales Bill in a very different light.

But clearly, the wind is still in the anti-devolutionist sails and, until the referendum gets the green light, it is likely to remain so.

"Creative conflict: The Politics of Welsh Devolution," by John Wainwright, published by Routledge and Kegan Paul, £4.95.

LABOUR NEWS



Mr. Sid Weighell, general secretary of the National Union of Railwaymen, with Mr. Alan Rees (right), the national president, in a serious mood at a meeting of the union's executive yesterday.

Schoolmasters will support sanctions over 12½% claim

By Michael Dixon, Education Correspondent

THE THREAT of morning-only schooling yesterday when a second teachers union said it would join a National Union of Teachers dispute.

The 100,000-strong National Association of Schoolmasters and Union of Women Teachers and the 240,000-member NUT in operation sanctions in protest against an "inadequate" pay offer.

The combined memberships represent about three quarters of the State-school teaching force in England and Wales.

The offer—which went to arbitration on Monday night—was meant to put a 10 per cent. limit on the total rise in the pay for schoolteachers south of the border from April 1.

The rise—come on top of the cost of the teachers' normal increments.

As a result the education authority employers wanted to hold back 1 per cent to cover the incremental cost and removal of anomalies caused by incomes policy, and offered only 9 per cent.

Talks on 10% print pay increase

By Pauline Clark, Labour Staff

TALKS on the final details of a probable 10 per cent wage settlement for about 200,000 provincial printers are to take place this week in spite of continuing areas of trouble over pay.

If remaining obstacles are removed speedily, the proposed deal is expected to go out to a ballot of print union members ahead of the settlement date at the end of March.

The British Printing Industry Federation said yesterday that distribution of a proposed pay increase to the Government guidelines was one of the main issues holding up the signing of a deal with four print unions.

This followed a decision by the unions to forego the time being their earlier claims for substantial rises—although some small printing companies are being affected by pressure from National Graphical Association members for pay increases in breach of the 12-month rule.

The campaign has been suspended—apparently because of the NUB's policy maintaining a 12-month cap between wage settlements. But the federation damage to production.

They are keeping their distance from Plaid Cymru, arguing that the Welsh nationalists want something completely different from the Assembly. Within Plaid Cymru there are voices advocating, if not outright opposition, on the grounds that the Bill does not go far enough.

The Welsh Assembly proposed by the Government would be a very different animal from its Scottish counterpart. Whereas the Scots are offered something akin to a mini-government, with legislative powers, the Welsh Assembly would be more like a souped-up regional authority.

It would have executive powers and would work mainly through a series of specialist committees, debating the distribution of the block grant handed down by Westminster. The assembly would draw up plans for the reform of Welsh local government, the Conservatives' 1974 reorganisation being widely regarded as unsatisfactory throughout Wales.

To the extent that the Wales Bill does not impinge upon the sovereignty of Parliament it ought to have a smoother passage through Westminster than the Scottish Bill. It is being noted with interest in Cardiff that Mr. George Cunningham MP, the architect of the 40 per cent. threshold amendment in the Scotland Bill, said last week that he regarded the Wales Bill in a very different light.

But clearly, the wind is still in the anti-devolutionist sails and, until the referendum gets the green light, it is likely to remain so.

"Creative conflict: The Politics of Welsh Devolution," by John Wainwright, published by Routledge and Kegan Paul, £4.95.

Support job schemes for young people—Booth

By Our Labour Staff

MR. ALBERT Booth, Secretary for Employment, appealed yesterday to the rank-and-file trade unionists to support new programmes for helping the young unemployed.

His call for local union goodwill, in line with the "full support" already given by the TUC, came with the announcement of the final details of the Youth Opportunities Programme.

The programme, to be run by the Manpower Services Commission, is designed to provide about 250,000 young people each year with a chance to train and experience of work at a cost in the first financial year 1978-79 of £140m.

The budget figure for the programme, expected to mount to about £800m. over the next five years, does not, however, take into account the savings made on unemployment benefits.

The commission is also launching a programme to provide 25,000 jobs for those aged 19 and over. The budget in the first year for this Special Temporary Employment Programme is £50m.

Both programmes will start in April but projects will continue under the Job Creation Programme which ceased taking applications at the end of last year, until December 31 at a cost this year of £73m.

Mr. Richard O'Brien, chairman of commission, said yesterday there were several differences in approach between the old and the new schemes.

With the Government paying for the schemes for five years it would enable the commission to improve the quality.

The integrated nature of the overall programme would enable people to move from the training workshop to work experience projects and vice versa according to their needs.

The biggest allocation for the youth programme goes to Merseyside and Cheshire with £13.3m. for the coming financial year. The North West has been allocated £22.3m. and Scotland £21.5m., of which £12.6m. goes to Strathclyde.

The North West and the Midlands have the biggest allocation for the adult scheme with £16.7m. and £12.2m. respectively while Scotland receives £5.3m.

In the adult scheme, through which unemployed adults will be employed on projects for up to a year at the agreed rate for the job, the commission aims to preserve "confidence" and "a sense of purpose" among those who have been unemployed for six to 12 months.

Under the youth programme, the unemployed will be paid a standard, flat rate allowance of £19.50 free of tax and National Insurance Contribution.

The unemployed will be paid a standard, flat rate allowance of £19.50 free of tax and National Insurance Contribution.

The unemployed will be paid a standard, flat rate allowance of £19.50 free of tax and National Insurance Contribution.

The unemployed will be paid a standard, flat rate allowance of £19.50 free of tax and National Insurance Contribution.

The unemployed will be paid a standard, flat rate allowance of £19.50 free of tax and National Insurance Contribution.

The unemployed will be paid a standard, flat rate allowance of £19.50 free of tax and National Insurance Contribution.

The unemployed will be paid a standard, flat rate allowance of £19.50 free of tax and National Insurance Contribution.

The unemployed will be paid a standard, flat rate allowance of £19.50 free of tax and National Insurance Contribution.

The unemployed will be paid a standard, flat rate allowance of £19.50 free of tax and National Insurance Contribution.

The unemployed will be paid a standard, flat rate allowance of £19.50 free of tax and National Insurance Contribution.

The unemployed will be paid a standard, flat rate allowance of £19.50 free of tax and National Insurance Contribution.

The unemployed will be paid a standard, flat rate allowance of £19.50 free of tax and National Insurance Contribution.

The unemployed will be paid a standard, flat rate allowance of £19.50 free of tax and National Insurance Contribution.

The unemployed will be paid a standard, flat rate allowance of £19.50 free of tax and National Insurance Contribution.

The unemployed will be paid a standard, flat rate allowance of £19.50 free of tax and National Insurance Contribution.

The unemployed will be paid a standard, flat rate allowance of £19.50 free of tax and National Insurance Contribution.

The unemployed will be paid a standard, flat rate allowance of £19.50 free of tax and National Insurance Contribution.

The unemployed will be paid a standard, flat rate allowance of £19.50 free of tax and National Insurance Contribution.

The unemployed will be paid a standard, flat rate allowance of £19.50 free of tax and National Insurance Contribution.

The unemployed will be paid a standard, flat rate allowance of £19.50 free of tax and National Insurance Contribution.

FOCUS ON ENOCH POWELL'S CONSTITUENCY

A national figure has his local difficulties

By Giles Merritt

IN County Down, as elsewhere, people simply cannot agree about Enoch Powell. In this sprawling constituency of more than 90,000 voters, the experts are evenly divided on whether he will survive the coming general election. For Mr. Powell's majority of 3,567 is the smallest of all Ulster's Unionist MPs. It is less than a tenth of the winning margin notched up by most of his colleagues.

In spite of strenuous constituency work and undoubted national stature, Powell has opponents both within and without the Official Unionist party. He has been threatened with expulsion from the Unionists' ranks at Westminster and there have been attempts to prevent his re-election in the constituency.

At first glance, there seems little incentive for Mr. Powell and the Official Unionists to fight the next election together. Yet, when the date is set, that familiar, slightly bowed figure, with the unerring level gaze, will once again be touring the Orange Halls.

Unfortunately for him, though, he will not be the only Parliamentary candidate in South Down tapping the Protestant Unionist vote. A 55-year-old businessman, with almost 40 years in local politics, is planning to present himself as the "true Loyalist" candidate. He is Mr. Cecil Harvey, who will be running on the joint ticket of the Paisley-Baird Democratic Unionist Party and Mr. Ernest Baird's United Ulster Unionist Party.

Mr. Harvey will not win South Down where Unionists are rural moderates and not the sort of industrial working class Protestants who opt for the Paisley-Baird brand of militant loyalism. But he could pick up about 4,000 votes—enough to cost Mr. Powell his seat.

Mr. Powell's second problem is more subtle. It concerns his character as a man of rigid principle and his own logical, but alien, brand of Unionism.

Last year, he emerged at Westminster as the most vocal of Unionist MPs, and has since led them ineffectually toward the concept of integration. That has not



Mr. Powell... "hynoptic."

only made him enemies among the many Loyalists who see the return of a majority rule Stormont Government as their sole aim. It has also made him appear "unreliable" in a constituency where traditional Unionism and the unquestioning acceptance of local demands is expected.

"Powell," says one local observer, "fights like a tiger for some constituents. But for many others, he refuses to accept that their gripe is valid. The trouble is that no one ever knows whether their own case fits in with his principles or not."

Although some critics still maintain that Mr. Powell was "parachuted" in on them in 1974 for that year's October election, he has done much to establish himself on the South Down scene. He bought a home in the constituency, a terraced worker's cottage in the village of Loughbrickland where he and his family often spend week-ends and holidays while he pursues constituency business. On agricultural policy and the inequities of the EEC Common Agricultural Policy, he frequently strikes a responsive chord when addressing local meetings.

It would, no doubt, have

helped Mr. Powell in his coming election struggle if he had been able to find common ground with Mrs. Thatcher on immigration and effect some form of reconciliation with the Tories. Race means nothing to County Down. But its Unionists are gut conservatives who would feel happier if he had not helped to prop up Mr. Callaghan's minority Government.

Mr. Powell's chances of retaining what was once a solid Unionist seat, with at least 10,000 spare votes, will depend to a large extent on the equal disarray of the mainly Catholic Social Democratic and Labour Party opposition. The constituency's electorate is 40 per cent. Catholic, and had it not been for splits and abstentions in 1974 a 33-year-old Newry schoolteacher, named Sean Hollywood, might well have topped Mr. Powell at the post.

Mr. Hollywood, with a background in civil rights and community affairs, was an SDLP moderate and has fallen out with the party because of its drift towards nationalism. He will not run again.

Last time, he polled 30,000 votes, or 46 per cent, but although credited with a high personal vote, he also lost about 4,000 crucial Republican votes in the Mountains of Mourne through abstentions. The SDLP's position will be eroded at the next election by a challenge from the new party-based Irish Independence Party.

South Down's winner will be decided by "the arithmetic of the splits."

If Cecil Harvey can build on Mr. Powell's refusal to demand the return of Stormont and devolved government, the incumbent Unionist hierarchy's respect for him as a Privy Councillor and architect of the party's new identity in local politics, will be a factor.

But if the SDLP fails to marshal the disheartened Catholic vote, Mr. Powell will win by default. There remains, too, an element that does not register on the political radar.

"Powell" commented one local political worker, "is hynoptic."

W. German PR system 'best for Britain'

By Richard Evans, Lobby Editor

THE WEST German electoral system of proportional representation is recommended as a good basis on which to reform the U.K.'s electoral machinery in a pamphlet published yesterday by the Parliamentary Democracy Trust.

The author, Mr. Richard Holmes, director of the National Committee for Electoral Reform, often cited against PR, that it produces a "weak" coalition government. He says that West Germany has had coalition governments under a PR system since 1949 and the political stability that this has produced stood the country's economy in good stead.

"Major policy changes have been gradual and more in step with the times than in the case of investment decisions in industry than has been the case in Britain's frenetic governmental zig-zag since the second world war," he writes.

A Democracy Which Works: an analysis of the West German electoral system. The Parliamentary Democracy Trust, 60p.

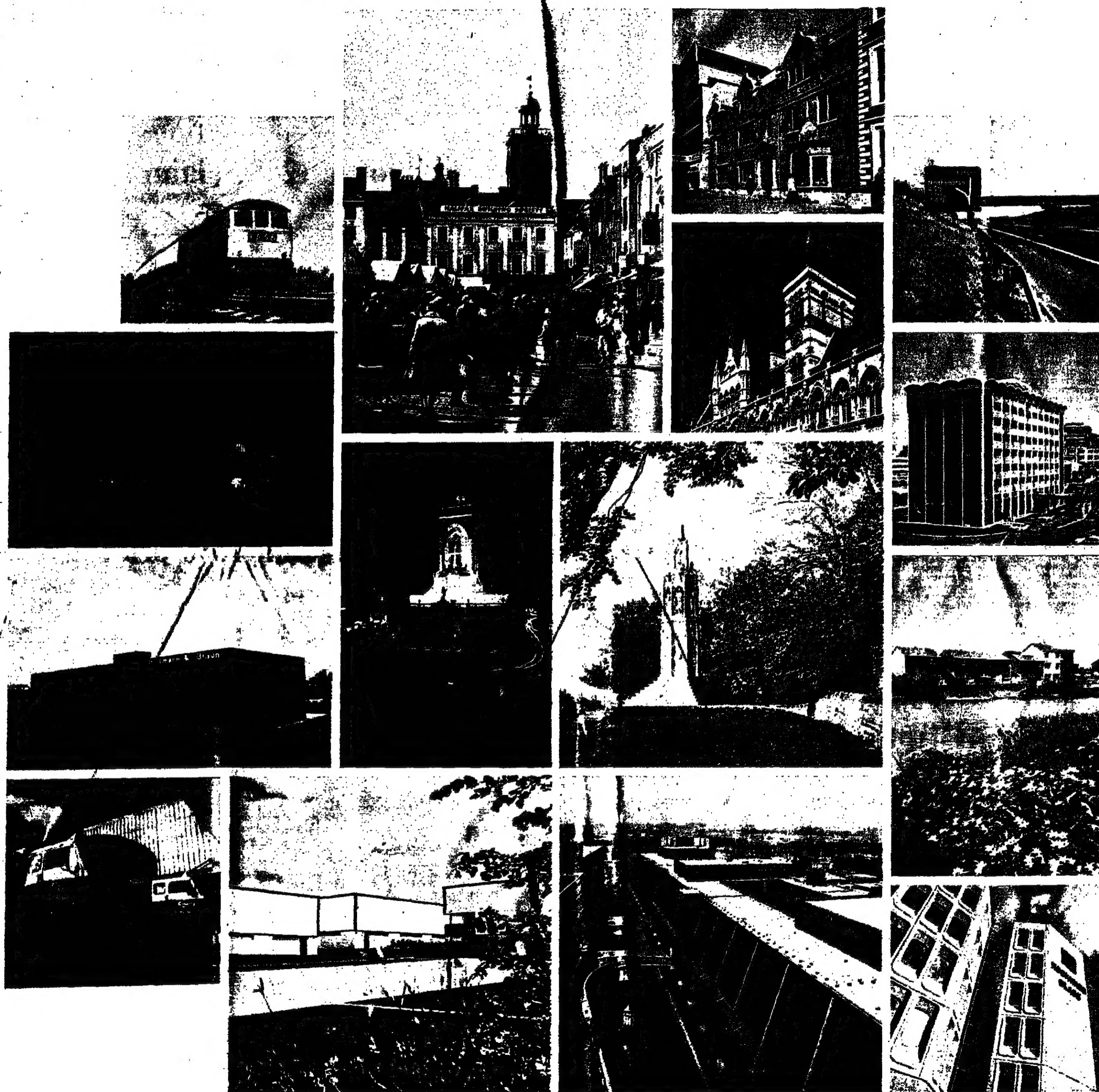
Work subsidy banding study

THE GOVERNMENT is preparing to examine the possibility of firms banding together to share the cost of subsidising employment. MPs were told yesterday.

Mr. Clement Freud (I. Isle of Ely) said he was not satisfied that the Government was doing enough to help small businesses to qualify for the subsidy. He said the Government should consider accepting applications where a number of firms formed themselves into a co-operative.

Mr. John Grant, Employment Under-Secretary, replied that the Government could look at this suggestion, but any reduction in the subsidy would lead to administrative problems and add to the current backlog.

Northampton a blend of old and new



Northampton, like a human being, has evolved, matured and developed its character with passing years. Succeeding generations have established its importance, traditions, employment, social, recreational and cultural amenities and a strong sense of community. Experience has proved how necessary these qualities of life are. Their absence is a handicap to a settled and full life in new surroundings.

But these qualities take generations to mature. In Northampton we are fortunate. We are able to harness all the advantages of an historic and well established market town of regional importance, with those of a new town — new homes, schools, shops, community facilities, jobs and new opportunities for a total population of 173 000 people by the mid 1980's.

Add to this — Northampton's location, on the M1

motorway, midway between London and Birmingham; the boundless opportunities for industrial and office development; an excellent employment record; a labour relations record that is one of the best in the country; a success rate that in the past seven years has seen 4.6 million square feet of factories and warehouses completed, 1.2 million square feet of offices completed, 10 000 new jobs created, 13 000 new homes built — and it is easy to see why, over 200 firms, including 20 from overseas, have chosen to share in Northampton's history, its growth and its success.

For further details phone 0604 34734 or write to:
L Austin-Crowe, Chief Estate Surveyor,
Northampton Development Corporation
2-3 Market Square, Northampton NN1 2EN

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

COMPUTING

Users given much more power

DEC, whose small machines are legion and whose large machines are considered by the DATAPRO organisation in the U.S. as among the best, so far as user facilities are concerned, is launching a new machine at the big end that operates with as little regard for the environment as do the minis.

Decsystem-2020 costs \$98,000 in its smallest viable format and comes with a series of languages, ability to support many time-sharing users, to run several concurrent batch operations and to handle transaction-oriented processing.

The normally power-hungry sections of the machine and its immediate ancillaries consume only 1.4kW, which is approximately one-tenth of the power absorbed by a mainframe of comparable processing ability. It does not need a special computer room.

Indeed, DEC considers that many who hitherto have bought

its small machines as "components" for equipment ranging from plant controllers to gas chromatographs, will now begin to think in terms of using the larger machine it is now offering in much the same way, where extra local processing power in a commercial environment is required.

This machine represents a move downward from the large computer environment to enable smaller users to enter this arena at an earlier stage. In contrast, the company's VAX 11/780 mini, with its 32-bit word length, represents a long step upwards from the mini, especially for applications where speed is important.

DEC is also launching a new heavyweight, the 2060, with a more advanced processor, solid-state main memory, more disc storage and more communications capability. It starts at just over \$400,000.

Digital Equipment Corporation, Digital House, Kings Road, Reading, Berks. 0734 583555.

Talks to big machines

TAKEOVERS have their own inbuilt problems, particularly in computing. However, ICL is overcoming most of those inherent in its acquisition of Singer. The latest announcement in this line of development is that ICL Datacell has produced software which allows the Singer 1500 mini to talk to ICL big machines, but also to the 2903/4 group, the System 4's and the 900's.

"Mainframe Communicator" is the name given to the package which will allow local 1500 arrays to talk with big machines as above, while carrying on local operations to support a plant or an area. Since distributed processing is now all the rage, the announcement is important, particularly as ICL has been selling 1500's in lots—a recent sale to Australia was for 80 of these machines.

At the same time, the world installed base of 1500's is now over the 8,000 mark and many of these are in the U.S. If ICL wants to make a dent there, its bigger machines have to be able to talk to the inhabitants.

Another announcement of importance to 1500 users is the availability of the commercial language COBOL, with special emphasis on the ease with which the operator can set out his own programs.

Dataskill reaction as to whether or not the new development will make it easier for IBM users to run 1500's takes the line that so much software is available for various types of ICL equipment to operate with IBM mainframes that there should be no problem. Dataskill operates from Reading Bridge House, Reading RG1 8PN. 0734 551255.

Power upon the desktop

FITTING ON the top of a desk, but powerful enough to run a whole complex of warehouses and maintain their stock levels at optimum, is a microcomputer/memory/display system offered in the U.K. by Gamma Associates and developed in the U.S. by General Robotics Corporation.

The equipment is built around a Digital Equipment Corporation LSI/II machine—and Gamma cut its teeth on DEC products—with 64 kilobytes of main store, a Burroughs plasma display, a compact floppy disc and a printer.

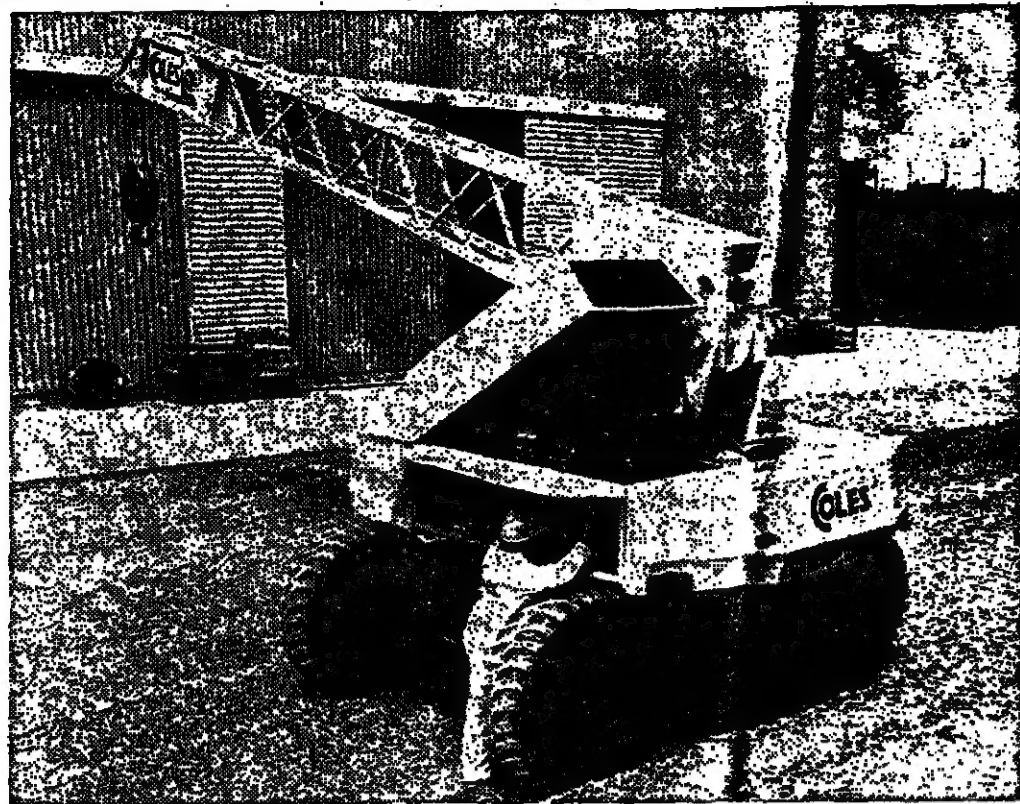
Price with three floppy drives is £7,500 one-off.

Languages include Basic, a Fortran IV compiler and APL, together with a time-sharing executive. This equipment will also run the U.K. National Computing Centre's Filetab language.

Some 400 of these units have been installed in recent months in the U.S. and the first is expected to be delivered in Britain in the near future.

Gamma Associates is on Wokingham (0734) 754441.

HANDLING



Makes light of the load

COLES CRANES, which to date has confined the use of hydraulics to truck-mounted units used basically in the construction industry, has introduced a diesel hydraulic design of mobile crane called the Hydramobile 911, able to lift up to nine tonnes.

Prime mover is a Ford 2711E four-cylinder water-cooled unit developing 71 bhp at 2,500 rpm; this drives three hydraulic pumps directly (total output 350 litres/min.) which service the various movements and motions. The derricking system uses a double acting hydraulic ram, while slewing and hoisting utilise gear type hydraulic motors.

The two section boom has long lever control for hoisting, telescoping, derricking and slewing, with independent or simultaneous operation of crane

motions. A useful facility is that if the crane is slewed beyond 90 degrees to left or right, road wheel steering is transferred from front to back to maintain a normal steering "feel".

The power unit, of low profile to prevent obstruction of the driver's view is self contained and mounted on a fabricated bed plate. Easily removable, it contains engine, radiator, air cooler, air cleaner, exhaust system, hydraulic pumps and 12 volt starting equipment.

Optional equipment for the crane includes a manual telescopic boom, fixed length cantilever jib, swan-necked jibs to suit job requirements, safe load indicators, several lifting attachments and an exhaust purifier. It is even possible to have the driver's cab air conditioned.

Further, the crane can slew on the chassis at 4 rpm, can telescope its boom at 9.5 metres/min (31 feet/min.) and on the road can travel at 12.5 kph (7.8 mph).

Driver's cab has individual long lever control for hoisting, telescoping, derricking and slewing, with independent or simultaneous operation of crane

HEATING

Comfort with economy

AN ELECTRONIC programmer returned to by switching back to for central heating and domestic hot water from Satchwell Sunvic will offer the user a greater degree of control of domestic heating systems and—when combined with room and cylinder thermostats—provides new standards of control for both comfort and fuel economy.

The programmer divides the 24 hour day into 12 different time periods. Individual switches for each of the 12 periods of the day can be moved independently to any of three positions—hot water, central heating and hot water, or off.

In addition, two over-ride switches allow either the central heating or hot water or both to be switched continuously on or off without disturbing the pre-set programme which can be

returned to by switching back to automatic control. The programmer has two indicator lamps, one for hot water and one for central heating, to indicate when the selected function is operating.

Another feature of the system is its electronic digital clock which can be used as a normal domestic clock, as well as providing the timing basis for setting of an automatic programmer. Installation and operation of the programmer are both easy and simple—it can be linked with existing controls operating any type of domestic heating system incorporating a gas oil or solid fuel automatic boiler.

Satchwell Sunvic, Watling Street, Motherwell ML1 3SA. Motherwell 66277.

COMPONENTS

For motor protection

UNITS based on positive temperature coefficient thermistors, designed for electric motor protection have been put on the market in this country by Siemens.

Designated SUN, these units will protect the windings against undue temperature rise due to overload or overvoltage; they can also be used in transformers and for monitoring the temperature rise in bearings.

The sensors, normally used in a one-phase arrangement that fails safe (the motor stops) if a connection is broken, are con-

nected to a tripping module containing a bistable solid state amplifier and an output relay. Sensors are available with trip values from 60 to 130 deg C for stalled motor current densities in the stator of up to 70 amps/sq. mm.

Versions of the unit are offered with an LED trip indicator, manual reset and a test button, and also for the protection of up to six machines at once. Normally however, reset is automatic, occurring when motor and sensor cool down. More on Sunbury-on-Thames SS59L.

METALWORKING

Hardened by laser beams

FURTHER DEVELOPMENTS in laser welding technology

have enabled the beam to be used for surface hardening applications. This can be carried out at speeds up to 4 metres/minute, with a track width of 10mm.

Depth of hardening is up to 1.5mm in steel. The degree of hardening will, of course, vary with the composition of the metal and the application, but a typical bearing surface requiring a hardness of 500 Vickers can be treated in two seconds.

There is no significant distortion—a typical advantage of high temperature work with lasers—and a light surface dressing is all that is required to finish the bearing.

It is expected that commercial versions of laser beam surface hardening equipment will be in direct competition with induction and flame hardening processes, which have much longer cycle times.

Application studies are continuing at the Institute, and manufacturing licences are under discussion.

Work is in progress in this laboratory on the commissioning of a 60 kW electron beam welding machine on which the workpieces are welded without the need for a vacuum chamber. At present the maximum satisfac-

tory weld thickness is about 38 mm in steel, but it is expected that this figure can be doubled.

Details of high energy density work from the Welding Institute, Abington Hall, Cambridge CB1 6AL (0223 581182).

COMMUNICATIONS

Pager aims for high reliability

TELE-COURIER system 800 receivers to be totally interchangeable so that it is not necessary to have a different receiver for every user, only a different code module. If something should go wrong with one receiver it is simple to snap out the code module and plug it into any other working unit—there is not the inconvenience of waiting for receivers to be repaired or replaced.

Digital coding works much like a combination lock; it takes the right number of pulses in the right order to set off a particular pocket receiver. The most important advantage of this method is the elimination of false calls.

The coding circuitry is contained in a separate code module which easily detaches from the pocket receiver itself. This module is quite simply coded and once coded, almost impossible to damage. This enables all the

receivers to be totally interchangeable so that it is not necessary to have a different receiver for every user, only a different code module. If something should go wrong with one receiver it is simple to snap out the code module and plug it into any other working unit—there is not the inconvenience of waiting for receivers to be repaired or replaced.

There are three types of receiver, all of the same physical design—the standard, the Vibration and the digital read out receiver. The standard and the digital read out receiver are equipped to handle either tone only or tone and voice transmissions; the latter being for hospital use only. The vibration receiver is for use in heavy noise areas, having neither audible nor visual signal, just

vibrations. The standard receiver, in addition to the audio bleep, has a built-in light emitting diode that illuminates to indicate a call and remains lit for up to five seconds after a call is received.

The digital read out receiver has on its face a small button and a window containing an illuminated numerical display. When paged, the user of the receiver presses the button to display a single digit from 0-9 in the read out window. These numbers will have a pre-arranged code meaning. For example 3 might mean "Call Security" and so forth. The last digit message is automatically stored until the user chooses to recall it by pressing the button.

The Tele-Nova, 111, Endwell Road, Brockley, S.E.4. 01-692 9916.

IMI
IMI means more than metal
Specialist Metal Industries Limited
Specialists in: Heat exchangers, Heat pumps, General engineering, Ship fasteners, Refractory and wrought metals

PROCESSING

Joining of plastics pipe

EQUIPMENT for fast and reliable butt fusion joining of large bore plastics pipes, such as those used in sea mains, has been developed by Haxey Engineering, using Maxam double acting air cylinders to provide the required fusion pressure of about 2.3 bar.

British Gas has accepted both the method and the equipment for the laying of pipe from 63 to 180 mm outside diameter.

Haxey developed its machine to operate in arduous conditions outdoors, relying on the general availability of spares for the cylinders.

This unit grips the ends of two lengths of pipe which have to be joined, jacks them using an integral cutter and heats them in a preset time and temperature cycle.

The ends are then forced together by the air cylinders and held till the joint has fused.

More from Compair Maxam, Camborne, Cornwall. 0208 712750.

GENERATORS
static and transportable units from 3KVA to 750KVA. Base load, standby or no brake systems. Sale or rental. Manufactured by LEIGH ST. WALSHAW BURY LANCASHIRE, ENGLAND. Tel: 051-7811434. Telex 908850. SHANNON Power

electrical wire & cable?

ANXIE

Thousands of types and sizes in stock for immediate delivery.
• NO MINIMUM ORDER • NO MINIMUM LENGTH
LONDON 01-561 8118 ABERDEEN 0224 32355/2
TRANSFER CALL CHARGES GLADLY ACCEPTED
24 HOURS EMERGENCY NUMBER 01-573 9697 Ex 409

A FINANCIAL TIMES SURVEY

WORLD DEFENCE INDUSTRIES

The Financial Times Survey on World Defence Industries scheduled for publication to-day will now appear on

THURSDAY MARCH 2 1978

The Financial Times regrets any inconvenience to its readers

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

The content and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.

SORRY, OLD CHAP WE CAN'T CONSIDER FINANCING HIGH RISK TECHNOLOGY IN THESE TIMES.

Call NRDC We take the risk for granted

If you've got a good idea that's a genuine technological innovation, NRDC can shoulder half the risk by providing the finance for half the development and launching costs.

You don't have to pay a penny back until you start generating sales. And you stay in control throughout.

NRDC's money and technological backing could be yours for the asking. The very least we'll give you is a sympathetic ear and possibly

some sound advice based on our great experience in technological innovation.

Contact the National Research Development Corporation, Kingsgate House, 66-74 Victoria Street, London SW1E 6SL.

Or better still, ring Brian Mann now on 01-828 3400.

NRDC
Finance for innovation

NEED ELECTRIC POWER

Wilson Generating Sets are amongst the Best in the World

All sizes from 4 Kva to 2000 Kva
Usually from stock in quantity.

F.G. WILSON
ELECTRIC POWER WORLDWIDE

F. G. WILSON ENGINEERING LTD
4 Central Trading Estate, Sharnbrook, Bedfordshire, England.
Telephone: Sharnbrook 58228 & 58764. Telex: 933164 (Newmarket, Sunset G)

This announcement appears for purposes of record.

\$150,000,000

Colgate-Palmolive General Corp.

Promissory Notes due March 1, 1998

Unconditionally Guaranteed as to Principal and Interest

by

Colgate-Palmolive Company

The private sale of the above Notes was negotiated by the undersigned.

Dillon, Read & Co. Inc.

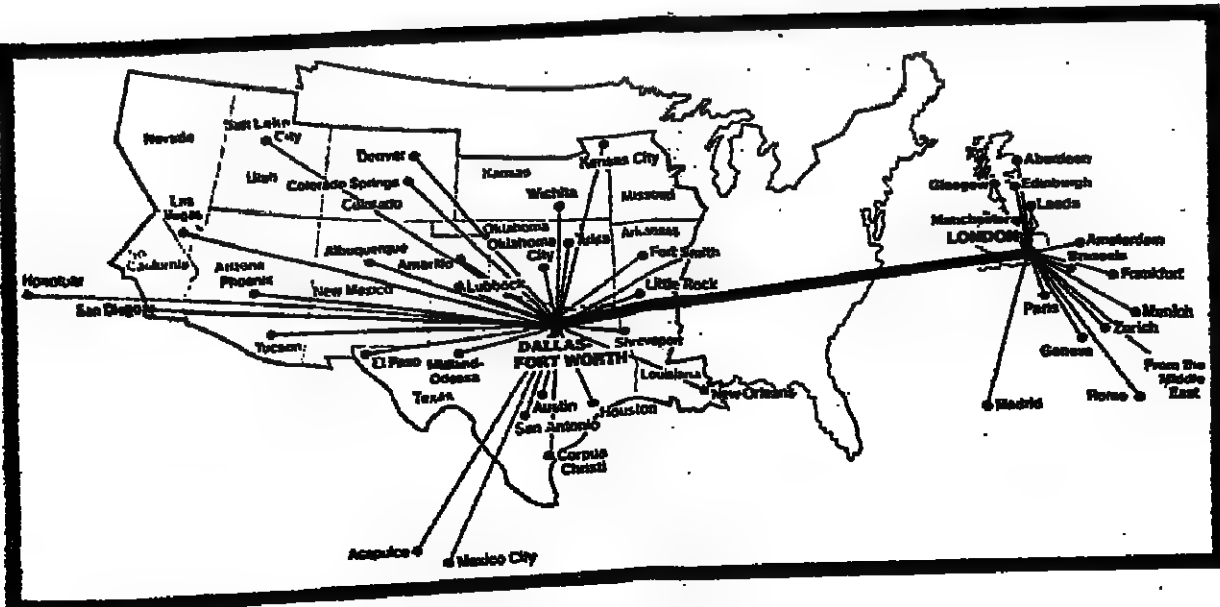
February 27, 1978

From today, the Big Orange flies direct to the Big Country.

DALLAS-FORT WORTH NON-STOP



The only daily 747 Non-stop to Southwest U.S.A.



THE DAILY NON-STOP AND CONNECTING SCHEDULES

Leave London 11.45 am.*	Arrive Dallas-Fort Worth 3.05 pm.	Arrive Tulsa 5.30 pm.
	Arrive Houston 4.50 pm.	Arrive Denver 5.30 pm.
	Arrive San Antonio 4.47 pm.	Arrive Kansas City 6.40 pm.
	Arrive Oklahoma City 5.00 pm.	Arrive Mexico City 7.50 pm.

Leave Dallas-Fort Worth 7:00 pm. Arrive London Gatwick 9:30 am.*

Now, whether you're taking off on business or pleasure, you can fly Non-stop to the heart of the Southwest USA. On a bright orange Braniff International 747. Any day of the week.

THE BIG WAY TO BIG COUNTRY

Braniff's Big Orange 747 takes off from London at 11.45 am and touches down in Dallas-Fort Worth at 3.05 pm. From there, the dynamic cities and wide open spaces of America's Big Country are within reach - the farthest only 3hrs away. Our daily arrival is scheduled to meet connecting flights. And we have our own terminal at Dallas-Fort Worth which includes US Immigration and Customs, so formalities can be rapidly dealt with when you arrive. Wherever you're planning to go, you'll get there with a minimum of delay.

INSIDE THE BIG ORANGE

The Economy Class traveller could well be surprised at Braniff's special touches; wingback chairs for comfort and privacy in flight, generous enclosed

With convenient sunshine connections to most airports in the Southwest, Far West, Mid America and Mexico.

And no other airline adds so much colour to flying.

over-head storage room, big Texas-style spaces for stretching your legs, a succulent choice of entrees. As for First Class, comfort is in the five star bracket; the cabin contains just 24 chairs and there is a civilised international lounge upstairs, if you get to feel the need for society.

Preceding your luncheon there are complimentary cocktails, and accompanying the meal a choice of wines followed by cappuccino with brandy and Columbian coffee.

THE BIG ORANGE BACKGROUND

The Big Orange 747 from London to Dallas-Fort Worth is the newest service from one of America's oldest airlines. We have 90 jets covering some 30,000 miles of routes within the USA, Mexico and South America - where we are the leading US flag carrier. Our

distinctive Orange livery, which first adorned our Hawaii runs, has become a legend in its own time.

FLIGHT RESERVATIONS

You can book a seat on the Big Orange by ringing your travel agent, connecting airline, or Braniff in London. We can all tell you everything you need to know about Braniff flights, fares and holiday tours.

You'll get immediate confirmation on both the daily transatlantic hop, and on connecting Braniff flights.

You'll find our fares as attractive as our planes, and our attitude to flying as refreshing as our colours.

Telephone Braniff in London 01-491 4631; in Aberdeen, Birmingham, Edinburgh, Glasgow, Manchester and Sheffield, dial 100 and ask the operator for Freefone 2276.

BRANIFF INTERNATIONAL

Mainland USA, Alaska, Hawaii, Mexico, South America and Europe.

ET CONFERENCE ON WORLD BANKING 1978

Towards an agreed monetary policy

BY STUART ALEXANDER

Inner city jobs campaign launched in Birmingham

BY OUR MIDLANDS CORRESPONDENT

Manufacturers can continue to quote their own figures and close. Sir Adrian Cadbury, the company chairman, has made it clear that the decision cannot be reversed. Packing of Typhoon tea is to be concentrated at the

FINANCIAL TIMES REPORTER

The 15 per cent. growth rate was helped by increased sales in the North of England and Scotland, which had been slow to buy freezers in the past. The York-

BY JAMES McDONALD

The planner's public accountability is already high through the Ombudsman, the public inquiry and the Press and community groups. The frustrations and delays caused by inadequate

FINANCIAL TIMES REPORTER

It is impossible for our industry to plan ahead for the length of time because during the period we have no idea what Government legislation and changes there are likely to be," he said at the Association's

FINANCIAL TIMES REPORTER

Conspicuous reductions at the taxable profits stage were recorded by Tate and Lyle, down about 19 per cent on the previous year, and Marley, which registered a shortfall of nearly 15 per cent. But of the other large companies reporting several made improvements of between 31 and 654 per cent.

The larger gain was attributable to Rank Organisation, while Gesteiner's and British Sugar's

- BY DAVID FREUD

predicted that inflation in the Western world would stabilise at high single figures.

course of central authorities
"pragmatic monetarism." The
was when their treatment of the
supply was attacked from

they did not have enough financial strength to make dirty floating dirty enough. However, he was hopeful that there would

exchange medicine of all wh
it lifted the Federal Reser
discount rate from 4 to 4.5 p
cent.

and Cruickshank; Dr. D. Lomax, economic adviser to the National Westminster Bank; and Mr. M. S. Mendelsohn, associate editor of the The Banker.

**If it takes an injection
moulding machine
3 hours 27 minutes to
produce 1,137 toy truck
bodies, why don't they fit
it with a Sperry Vickers
hydraulic system?**

It's highly likely that one of these divisions

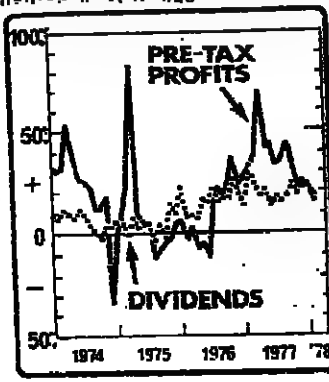
Please send me information on the following:

- Address _____



SPEERRY

Making machines do more, so man can do more.



The Management Page

EDITED BY CHRISTOPHER LORENZ

Why a Northern dumper baron has little truck with banks

IN FOUR years, David Brown, faith in his product and which was not trained as an engineer or designer. Nor, for that matter, is he an accountant or a production man, but to-day he is the managing director of a private company with an annual turnover of £15m. and which expects to see a five-fold increase in that figure within the next five years.

With his working life devoted to designing, making and selling construction equipment, Mr. Brown identified a gap in the market and set about filling it. His product, originally confined to a two-model range but now being expanded, is a four-wheel drive articulated truck designed to operate in the type of climatic and ground conditions which bring to a standstill the traditional, rigid-frame forward-drive truck.

Volvo appears to be the only maker of a product with any characteristics. Mr. Brown says that other major manufacturers are not interested in producing a similar machine because its sales potential, although substantial, would not be large enough to justify the scale of volume production to which their operations are geared.

The idea for a new breed of rough terrain trucks came to David Brown while he was working on a logging scheme in Africa. He subsequently designed his own machine down

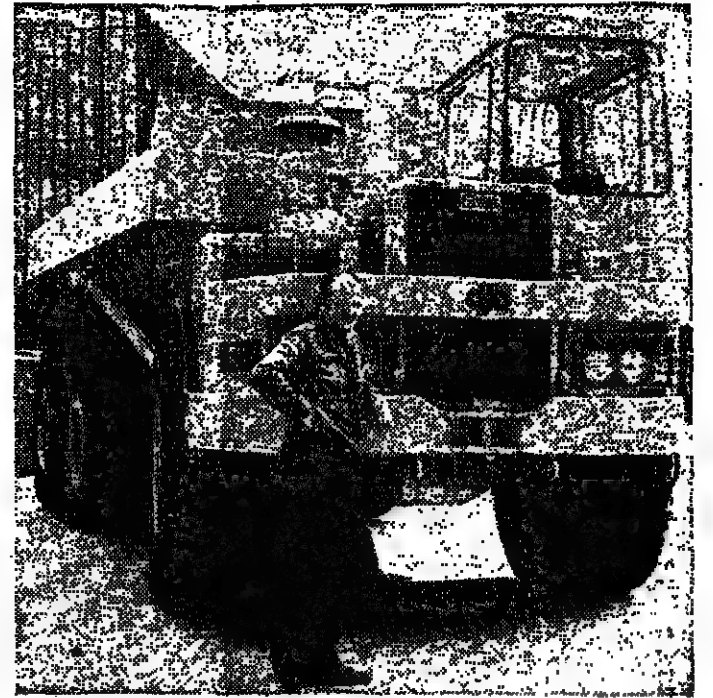
to the last detail, though he was not trained as an engineer or designer. Nor, for that matter, is he an accountant or a production man, but to-day he is the managing director of a private company with an annual turnover of £15m. and which expects to see a five-fold increase in that figure within the next five years.

To date DJB has produced over 500 trucks and with export sales accounting for almost the whole of the company's output, DJB machines are already working throughout the world. Sales this year of the £50,000-plus machines should reach over 200, rising to about 350 in 1979.

Much of Mr. Brown's criticism of the leading institutions stems from his own experiences while attempting to find financial backing a few years ago. Faced with a succession of polite refusals, he finally found help in the form of the Department of Industry, which offered an £80,000 carrot if he would locate his business on Teesside, an area with high unemployment.

Together with £30,000 of his own money, a similar amount from a private investor and a

A successful entrepreneur who questions the City's ability to help small business, and is highly critical of big company management, talks to Michael Cassell.



David Brown and powerful product

Stupidity

"We will have the ideas and we will grow at a manageable pace. We could build now what we will be supplying in ten years' time but it's a matter of what the customer will recognise and accept. If I put everything onto a machine now no one would be interested. It would represent too much of a leap for them."

Mr Brown is clearly anxious to ensure that his business does not grow too big, although he seems far from convinced

that this might eventually not prove to be the case. "All the stupidity surrounding the concept of 'bigness', whether it's in business or in schools of thought, is coming home to roost," he says. "It is the small business which needs to be encouraged, because its future contribution to the economy will be absolutely vital."

"The disaster is that the small operator finds it extremely hard to raise money to improve his business," Mr. Brown claims—somewhat in contrast with the companies quoted by the Wilson Committee in its latest statement (this page on Monday).

"This country has an appalling lack of good financial analysts. If you go along to a bank and prove that you really do not need money, then you can have it. If you go back a year later and say that this time the money is absolutely essential, they end up taking away what they have already provided," Mr. Brown complains. "The fact has been, and still is, that our banks are too frightened to lend money and the irony is that they still lose more when the government gives out public money to assist or sustain companies. But they complain not because of any concern over state spending but because they wish to protect their own position."

"Our type of free enterprise has been badly managed. It has become ridiculously restrictive in some areas and wildly open in others. The sort of free competition we permit here is much more closely vetted elsewhere, in most comparable countries nowadays you have to show that any merger actually works in the public interest, while here it only needs to be shown that it does not work against it."

Despite everything, David Brown has to admit that DJB survived the obstacle course. He will keep it going himself, although the taxation system means he would be better off paying capital gains rather than continuing to pay top bracket personal tax.

This is the man who, on a business executive course was presented with an "idiot's award" for being openly convinced he was the only one who wouldn't win it, remains undaunted and totally confident about his company's future.

WHEN LAWYERS employed by large international companies meet, the topics which excite their minds and stimulate a lively discussion are largely predictable: mergers and acquisitions, patent licensing and the gradual erosion of trade marks rights have now been the bread and butter of conference organisers for some time.

A new subject now seems to be moving to the forefront of attention, if one can judge by the very well-attended International Company Lawyers Conference organised in Munich last week by Management Centre Europe: it was evident that legal departments of many large companies have been caught unaware by the fast development of new legislation to ensure the protection, not only of individual privacy, but also of business information and of state security in the operation of manual and electronic data processing systems. Companies are now busy catching up with developments, particularly those affecting the cross-frontier transmission of data.

Most of the public bodies now concerned with this problem could agree with the French Commission on Information Processing and Liberties, which pointed out in its report that there is a greater need to legislate in the case of electronic data processing than in a manual storage system. Among other reasons this is because, unlike a man, a computer may not be surprised if the information is patently wrong. Computers' information flows are also not hampered by the barriers which



Private data and public law

exist between manual exchanges of information between departments of state and businesses.

The linking of two computers situated in two different countries, or the linking of peripheral (input or output) equipment in one or several countries to a centrally located computer, may seem the natural thing to do to the managers of a multinational company. But it plays havoc with the fear of the security services, namely that which could well be justified.

Mockery

More specifically, the transmission of data in a country which has no protective legislation makes a mockery of national legislation designed to protect the privacy of individuals and the secrets of business. It creates a similar imbalance to that between two countries one of which regulates its trade by quotas or customs duties while the other practices free trade. So there is an urgent need for the international harmonisation of data protection legislation. One may add that EEC harmonisation would not be sufficient; all industrially developed countries

would have to agree on common standards of protection.

A survey of U.S. multinational companies presented at the 1977 OECD data protection symposium in Vienna revealed that about 30 out of 40 top executives in charge of international data processing activities knew little about the developing laws and conventions. Yet the problem of cross-frontier data flows was raised by OECD and the Council of Europe over five years ago. It is now being investigated by four international organisations and 25 national commissions.

Some countries have already adopted legislation restricting cross-frontier flows and others are about to do so. Sweden, for example, requires the prior approval of its Data Inspection Board if data are to be transmitted abroad for processing. In France, the National Commission for Information Processing may require, in addition to registration, prior approval and also possibly the payment of royalties if personal data are to be sent abroad. The increasingly comprehensive German legislation leaves the responsibility, including that of abuse by export of information, with the

operator. Austria and Spain are expected to adopt some sort of data export control soon.

The enactment of data protection legislation in the U.S. and the existing or pending legislation in several European countries creates the danger that multinational companies will have their internal group communications severely restricted, even to the point of suffocating certain business operations. The point seems to have been reached where it is in the interest of multinationals that there should be not less but more legislation, provided that this is based on the same standards and applied to produce an equivalent effect.

Licensing

Two different concepts are emerging at present. One strives to achieve data protection by means of self-regulation within a framework defined by law. This method has found favour in the U.S. and Germany. The other is based on licensing data processing operations; it has two basic forms. Sweden and France have adopted a system of "omnibus licensing" while most other European countries are moving towards a system of "omnibus licensing" certain areas of the private sector specified by statute. One of the immediately emerging problems here is the relationship between private and public enterprise: where these exist side by side in any one area, stricter data protection rules for the private sector could result in a severe competitive disadvantage.

The only extensive practical experience so far with "omnibus licensing" has been gained in Sweden. Though this system may well become the basis of the first phase of international harmonisation between the Nordic countries, it is by no means certain that the same system could operate similarly outside Scandinavia, where opinions about what is right and wrong differ more than they do in highly consensual Sweden. In practice, the Swedish Data Inspection Board appears to have behaved in a consultative, rather than a dirigiste fashion. In France, the licensing authority will issue general regulations for all or specific classes of data processing systems. The same method is planned for Luxembourg, which though the smallest Common Market country, is important in this respect because of the many banks situated there.

The application of largely uniform rules to systems using widely different hardware and software will present many problems. These seem to be avoided by the German legislation, which places the responsibility for attaining the legislator's objectives on the operator, not on a Government agency. Each processor using electronic equipment and employing more than five people in operating it is obliged to appoint a person responsible for data protection. This personalisation of responsibility, combined with the Germans' law abiding nature, is bound to achieve the legislator's aims better than any official removed from the actual operation ever could. It is also likely to produce a high degree of awareness in every enterprise concerned. Both systems, of licensing and of self-regulation have their advantages. But it is likely to prove a serious disadvantage to have two more different systems in a world including a number of linked enterprises.

A. H. Hermann

DRIVER	CLIENT	TIME OUT	ARRIVAL	LOAD
J. Thorn	Langhams	9-30	4-30	B.L. Sports
P. Wilson	P.R.T.	8-50	2-20	P2160/128
S. Thomas	Isom & Co.	8-50	7-30	Scrap

Out of sight. Never mind.

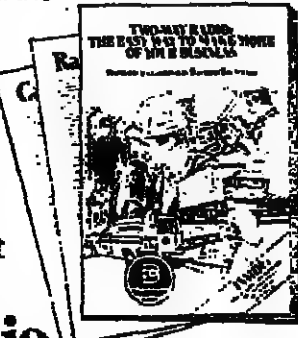
If you've any kind of mobile field force—salesmen, service engineers, delivery and collection drivers—you probably lose track of them the moment they're out of your sight. On the road, they'll do the best job they can. And they'll keep in touch just whenever they can find a call-box or a borrowed phone. Which, in this age of speed and efficiency, is pretty hit-and-miss.

What you need is Burndep mobile radio

Your people may be far out of sight, but with Burndep, they'll never be out of touch. Burndep gives you instant,

on-the-move verbal contact with whoever you choose, wherever they are. Burndep is inexpensive to own, simple to operate, and more efficient than any substitute.

Find out how to keep in touch with your people all the time. Fill in and post the coupon. We'll send you the Burndep facts by return without obligation.



Burndep mobile radio

Versatility: It's portable and can be used in a station-to-mobile, mobile-to-mobile, or mobile-to-station mode. It's also available in a fixed station mode. Capability: It's a full duplex, push-to-talk, mobile unit. Or, no base station, no mobile, just a hand-held unit. Or, a complete system. In-work control system. However, tell your order. Burndep is the only mobile radio that can be used in all three modes. Availability: When you buy from Burndep, you take all the work out of it. We'll handle all the details of the installation. Carry out the installation with Burndep, you can have radio sooner than with any other.

Now, get your free Burndep facts by filling in and posting this coupon.

I'd like to know more about Burndep mobile radio. Please send me more information ☐ Please telephone me to arrange an appointment ☐

Name: _____
Position: _____
Company: _____
Address: _____
FT27/2

Burndep Electronics (E.R.) Ltd.
51 Telford Road, East Kent, DA2 1AU.
Tel: 01822 53211. Telex: 883293.

Recruiting YOUR TOP EXECUTIVES

A SPECIALIST SERVICE FOR COMPANIES WHICH IS:

- cost effective
- highly confidential
- top level

Top Echelon Limited specialises in assisting companies to recruit executives at the highest levels. We deal with successful executives over a wide cross-section of industry and commerce, who are currently earning £15,000 p.a. and over. These executives wish to be kept informed of exceptional career opportunities allied to their particular skills and experience.

The advantages of the service are that it can:

- eliminate time and expense involved in advertising and screening
- ensure only top class executives are considered
- minimise potential breaches of confidence
- operate on a 'success only' fee basis

The Top Echelon service is the logical starting point when preparing to fill your company's senior vacancies

For further information please contact:

V.K. Diver, MA (Cantab)
Top Echelon Limited,
Hillgate House,
Old Bailey,
London EC4M 7HS.
Tel: 01-248 6527

A member of the Financial Techniques Group

A FINANCIAL TIMES SURVEY OFFSHORE MAINTENANCE

APRIL 21 1978

The Financial Times proposes to publish a survey on Offshore Maintenance. The provisional synopsis is set out below.

INTRODUCTION There is every sign that the North Sea development programme is entering a new phase. The first generation of oil platforms is now installed and operating; inspection, maintenance and repairs will be growing markets for offshore suppliers. A general evaluation of the market and the opportunities offered.

LESSONS LEARNED Recent reports suggest that marine growth, corrosion and fatigue may prove to be a bigger problem than expected by those operating offshore platforms. A review of the problems that have so far come to light.

PROTECTION Cathodic protection and special paint finishes are just two ways in which oil companies can try to stave off problems. A scientific and technological review of some of the protection methods now being offered.

UNDERWATER SERVICES Diving companies are now being called upon to provide a full range of inspection, maintenance and repair services. This has meant that consortia have had to be formed; new diving techniques and subsea vehicles have had to be developed. A look at the way the diving sector is adapting to this change.

LEGISLATION The Government and its advisory bodies have the task of ensuring that offshore installations are safe and fully maintained. A review of current legislation and a look at possible changes in the light of growing knowledge about offshore conditions.

THE SPREAD OF SERVICES Oil and gas exploration and development in the North Sea is well established. This year a new search will begin in the English Channel and the Western Approaches. There is also considerable activity off the western shores of England, Wales and Scotland. Each of these areas require service bases which must be fully equipped and ready to offer both routine and emergency facilities. This article will look at the geographical spread of bases which offer repair and maintenance services.

OFFSHORE TECHNOLOGY North Sea oil and gas reserves are currently being exploited through conventional fixed platforms or, as in the case of the Argyll Field, a semi-submersible rig. New methods of production, including sub-sea systems and tension legged platforms, are being evaluated for the second generation of oil development. How will new technology influence the repair and maintenance sectors.

For further details on the editorial content and advertising rates please contact Mark Skinner, Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY. Tel: 01-248 8000, ext. 7152.

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

The content and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.

Television

Let my people know by CHRIS DUNKLEY

Since Christmas the small world of British television has been buzzing with one subject. Personal experience, as it is being discussed, is vehemently among company directors and department heads at Boardroom lunches as it is among programme producers and research assistants at dinner parties in NW5.

It is a subject which has been discussed on and off since the very beginning of television, and even before that in the world of cinema, but the debate has been fanned to a new intensity by the appearance on our screens of the American serial *Washington Behind Closed Doors*, followed by *Mirage*, the first of a trio of Granada programmes, followed by *Life At Stake*, an eight-part BBC1 series of which two episodes have so far been transmitted.

In America the Washington serial (known as *Doors*) was referred to by commentators as "faction". Granada call their programmes "drama-documentaries". The BBC call theirs "dramatic reconstructions". The common denominator is the taking of "real" events as the subjects of the programmes, and the debate is about the rules which should apply to the use of this sort of material.

Arguments range over questions such as "How do you avoid confusing truth and fiction?" and "Where do you draw the line?" and "Should you mix fact and reasonable assumptions?" In "How do you know whether the audience is being misled?"

It is my contention that the debate sets out from fundamental misconceptions and is therefore almost entirely a waste of time and that so far as rules go, only one is necessary and it can be expressed in four words.

The first misconception is that there is something very simple called "the truth" or "reality" which consists of a series of verifiable occurrences or objects which constitute "fact" and that everything else is "fiction". Within the limited area of interest of—say—a court of law, this may be so.

(Although in this connection it is instructive to listen to two eye witnesses of known integrity giving utterly contradictory accounts of the same event, it does make you wonder whether the human perception of "reality" is reliable enough to lead to "the truth" even in as limited a sense as that defined by a court.)

Nevertheless it is possible to think of subjects for programmes which involve only facts of the verifiable variety: a film investigating the construction of an old clock for instance. But there is another whole world in which it is just not possible to dismantle the components, identify each one, and then reconstruct, ending with a picture of the finished product ticking away and serving as proof of the correctness of your work.

You don't have to go anything like as far as the question of the existence of God—which a Christian might claim to be a fact and an atheist will equally sure is a fiction—in order to reach a point where the consensus view of reality disappears. All you have to do is consider the question of atmosphere, spirit, character, and so on, none of which can be photographed but each of which may be more important than all the verifiable "facts" put together.

Many of us who found *Watergate* appallingly fascinating and followed the televised committee hearings, read the *Woodstein* book and saw the film *All The President's Men*, and read all the magazine and newspaper material that came our way, built up a fairly clear idea about what had happened but at the same time, a growing mystification about why.

It was precisely this missing factor which *Doors* seems to have done such a brilliant job in supplying: the creation of an atmosphere in which a sense of persecution led to a siege mentality inside the White House, and a combination of character traits led to a childlike spirit of revenge. I say "seems" because, of course, I cannot be

sure. *Doors*, as Radio Times said, is "a fictional series telling an explosive story" written by David W. Rintels and Eric Bercovici on the basis of John Strickman's novel.

Nothing is ever going to stop people making up stories, using their own experience as the source (ultimately there is no other source) and in the free world, provided they stay within relevant laws, nothing is going to stop them being published. At the book stage, oddly enough, this appears to cause little or no trouble.

But when they are transferred to television, the drama controller of one of the Big 5 ITV companies described *Doors* to me as "exploitative crap." (It was a BBC purchase.) And referring to the present batch of drama documentaries a review in the current *Listener* claims that television "tiring of straight fact or fiction, is anxious now to tell a fricasse of the two, and spew it out for our delectation."

The same accusation could be made of *Shaw With St. John*, of *Matthew, Mark, Luke and John* with much of the gospels, and of *Shakespeare with all his history plays*.

It seems to be the question of elapsed time which governs the anger of the responses. Nobody complained about *Friday's Horizon* in which playwright Alan Plater's account of the construction of three Eddystone lighthouses included a "conquering trick" from the first builder, Henry Wintley, in which a wine bottle thrown into the sky simply disappeared. (It was, incidentally, a marvellously entertaining and instructive programme.)

Yet there have been bitter complaints about Granada's ready admission that they had to invent the dialogue for *Mirage*, the amazing account of how the Swiss engineer Alfred Frauentuch transferred truckloads of blueprints for the *Mirage* jet to Israel—which of course happened only seven years ago. My own feeling is that despite

very glossy filming and a more than adequate performance from Ian Holm, this "documentary" treatment never allowed us to see inside the central character: perhaps a more deeper, more deeper into documentary might have brought out the motivation. And that brings up the second misconception: the idea that a whole set of wrong methods are being used, but that there is a right way somewhere, and that if only it could be found everybody could settle down to using it and everything would be plain sailing.

The problem should surely be approached from the other end. Each new programme subject should be treated as a unique problem requiring a unique answer. It might be the peculiar mixture of drama and re-staged newsreel excerpts and more actuality used by Brian Giggan in *Joey*, it might be the "straight" of *Shaw With St. John*, it might be any combination in between.

The situation to be avoided is the blanket application of a single formula to a whole collection of diverse subjects, and the beginning to look, as well as much as *Life At Stake* may have fallen into that trap.

The account of the Herrena siege, for instance, contained everything except what was needed: the developing conversation between captive and captors. (I understand Dr. Herrena was unwilling to talk extensively about this.) Fewer insignificant newsreel excerpts and more drama from the pen of Don Shaw would have made better sense—provided the viewer was kept very clearly informed.

Which brings us to the crux of the matter, and the golden rule that you can use any technique so long as you tell the viewer exactly what is going on. No one method is any more legitimate than another. Sometimes pure drama may convey greater truth, and even greater "reality" than all the available documentary footage. Someone (and if it wasn't Picasso it should have been) once said "Art is a lie that shows us the truth," and that can be as true of television as of paintings.

Television viewers are as much entitled as we are Shakespeare and Shaw—or for that matter John Grierson, father of the cinema documentary which he defined as "the creative interpretation of reality"—to give us a mixture of "fact" and "fiction" in whatever proportions they choose. But since television has the unique habit of switching rapidly from comedy to news to drama, they must clearly explain what they are doing. (And not just in *Radio Times*, either, but on screen.) Last week's *Life At Stake* was a case in point. For example, should have explained the source of all that film of ships and planes manoeuvring: was it old newsreel? Reconstruction with the same ships and planes? With different ships and planes? Or what?

Once we know the methods and the source, each of us may give to a programme whatever credence it seems to deserve; but we must be told. It is in the critic's role as spokesman for the public that I have formulated the four-word golden rule for broadcasters: Let my people know.



Edward Hardwicke, Frank Grimes and Veronica Duffy in 'Life at Stake' (BBC 1)

Theatre Royal, Bristol

The Provoked Wife Stravinsky & Purcell

The designer, Boh Ringwood, is a star of this Restoration-look production of Vanbrugh's roaring comedy, both for the beautiful costumes and the painted flats used for the scenery. Mr. Ringwood has found contemporary consistency too limiting, though most of the flats side in from the wings as if on the grooves of a turntable, can still be seen in this theatre, he can still be seen in panels from the flies in a manner that would have surprised but delighted Vanbrugh. In place of an orchestra, a harpsichord stands in front of the stage and Neil Rhodes plays Purcellian music composed by John Teller.

Consistency is sometimes flouted when the director, Richard Cottrell, allows the company to treat the scenery as if it were a prop and use it for tiny jokes, but I suppose there's no call for academic accuracy if it gets in the way of the fun. My only reservation is that a good many scenes are driven too far upstage, and this keeps the players from charming their lines into the audience with quite such convincing intimacy as Vanbrugh call for.

The unrepentant Sir John Brute and his ill-matched wife are played by John Teller and Jennifer Hilary. The latter version of the play is used, in which Sir John appears before

the magistrate not in a priest's gown but in one of his wife's. He is seen to be thoroughly beastly by then; at his first appearance he seems hardly benign enough. Miss Hilary behaves towards him with well-simulated affection though she spends the evening planning to cuckold him; she and Gabrielle Drake, an enchanting Belinda, speak the divided epitaph (not by Vanbrugh) so well that it seems they do not have the slightest will.

Heartfree and the constant minx, the Constant the minx, Lady Brute are given gently by performances by Mark Vine-Davey and Richard Howard. Sheila Ballantine's Lady Fanciful comes out as a more youthful Lady Wishfort, and no doubt her first scene was suggested to Vanbrugh by a visit to *The Way of the World*. There is a lot of fun from Julia Swift as Fanciful's French confidante. It's possible that Vanbrugh wrote the play while he was imprisoned in the Bastille for expatriation, or he may have been taking a poke at the courtiers who kept their Parisian ways long after the court returned to England. Whatever the reason, the play is overflowing with intrusive French. The company lets it sound not only French but witty.

Royal Academy of Music

The Shepherd's Boy Stravinsky & Purcell

The RAO's operatic triple bill, given in the new Sir Jack Lyons Theatre, starts with Stravinsky's comic one-act, *Mavra*. With text by Boris Kochno derived from a story by Pushkin, *Mavra* was given its first performance by Diaghilev's Compagnie des Ballets Russes at the Paris Opera, in June 1922, in company with *Renard*, Bronislava Nijinska produced the little opera, while Ode Slobodskaya sang. The heroine *Mavra*, who introduces a Hussar-lover into her mother's house as *Mavra*, the new cook. Unfortunately "she" is caught shaving, and turned out.

Smudged by Nicholas Kraemer, Stravinsky's spiky but cheerful score comes up as fresh as paint, though the single joke, Taylor's stylised production makes even further stylisation of the music. *Mavra*, who introduces a Hussar-lover into her mother's house as *Mavra*, the new cook. Unfortunately "she" is caught shaving, and turned out.

Smudged by Nicholas Kraemer, Stravinsky's spiky but cheerful score comes up as fresh as paint, though the single joke, Taylor's stylised production makes even further stylisation of the music. *Mavra*, who introduces a Hussar-lover into her mother's house as *Mavra*, the new cook. Unfortunately "she" is caught shaving, and turned out.

does not quite work. The Shepherd's Boy, also received its first performance (at the Royal College of Music) in 1922, otherwise it is light years distant from *Mavra* in spirit and conception. Whether presented on its own or as part of *The Pilgrim's Progress*, the episode is, despite the beauty of its music, totally undramatic, and though Stephan Kobrin, who sings the role, is a good singer, he is not a good actor. The second Shepherd, sings with smooth, well-focused tone.

After the interval Sir Anthony Lewis takes over the conductor's baton and the first of the two operas, *Mavra*, is given its first performance by Diaghilev's Compagnie des Ballets Russes at the Paris Opera, in June 1922, in company with *Renard*, Bronislava Nijinska produced the little opera, while Ode Slobodskaya sang. The heroine *Mavra*, who introduces a Hussar-lover into her mother's house as *Mavra*, the new cook. Unfortunately "she" is caught shaving, and turned out.

Smudged by Nicholas Kraemer, Stravinsky's spiky but cheerful score comes up as fresh as paint, though the single joke, Taylor's stylised production makes even further stylisation of the music. *Mavra*, who introduces a Hussar-lover into her mother's house as *Mavra*, the new cook. Unfortunately "she" is caught shaving, and turned out.

Elizabeth Hall

Heinrich Schiff

Heinrich Schiff, the Austrian cellist, cuts an unusually mature and substantial figure for a man born in 1952. In his playing, though, there seems to be a trace of staidness or excess of earth. Monday's recital was a revelation of invincibly secure technique coupled to a wide range of rich, warm tones, and infused with personality at once commanding and poetic.

Frank's A major Sonata was written for the violin (and specifically, for Ysaye's aristocratic, elegant way of playing it). Although a version exists for the cello, the music usually sacrifices much of its rapid movement—when restricted within the compass of the lower instrument—it is those broad melodic lines, sweeping down from high, that give the piece its character. But in this performance, there was romance in the way Schiff and his pianist, Summa Abram, branched the opening phrase—almost diffidently, with tone light and forward. There was ardour

in the course of the second movement; though the range of tempo was wide, their choice invariably proved true to the nature of the musical events. And there were phrases of long, radiant beauty in the Recitative-Fantasia.

While Mr. Schiff's "voice" is equalised throughout all registers, his special story seems to lie in the bottom octave-and-a-half; there, the tone takes on the subtle subtleties of a cello. Dances. It could even be thought, perhaps, a sound too full for French music; but in Beethoven's Variations on "Bei Männern" it was ideal, although, coming at the start of the recital, the recital as a whole was unbalanced by the as yet shallow support of an otherwise efficient accompaniment. The Brahms F major Sonata, bold and glowing, and a sparkling account of Martinu's Russian Variations, played with fine, lively, and almost diffidently, with tone light and forward. There was ardour

MAX LOFFERT

Young Vic Studio

The Seven Samurai

The Moving Picture Mime Show is a much-vaunted trio of Lecocq graduates whose style, though undeniably funny in a superficial way, rapidly becomes victim of inconsequential ambition. Their version of *The Seven Samurai* is a clever re-hash of the 1954 Kurosawa film with deft echoes of Western influences. Fred Zinnemann is remembered in the plaintive whistling of the High Noon theme as bandits launch a furious attack on a village bathed in the silence of the tomb.

More than doubling up is required of the three performers—Toby Sedwidge, Paul Philipps and David Gaines—to conjure the marauding brigades thrashing through the undergrowth and assaulting mountain passes, let alone the rilling peasants and their magnificent seven. This is done clearly and clearly enough by the three boys attired in black singlets and baggy trousers, their faces painted in pantheistic white for sinister crows to peep through.

MICHAEL COVENEY

Sadler's Wells Theatre

Balloon by CLEMENT CRISP

The latter half of the Ballet Theatre Contemporary programme on Monday contained tried and true repertory works: *Violoncelles* and *Hopop*. These are very much company pieces: exciting design, heart-whole performance, give the impression of BTC's artistic style. *Violoncelles* with its ravishing setting of silvery froths by Jesus-Rafael Soto, and its atmospheric score in which Devy Erlich's violin is placed against shimmering sonorities by Bernard Parmegiani, is an intensely erotic duet. Michel Descombes's choreography shows Martine Parnain as a dominant figure exacting sexual homage from James Urbain; their performances last night were as ever, well judged in passionate involvement.

Hopop, with its bright cartoon-inspired costumes and perky dances, is a securely made closing ballet from Dirk Sanders which involves the whole company in suitably light-hearted fashion. What made it especially rewarding was the ebullience and charm of Yvonne Blanchard, who bounced and scampered through his dances with the greatest good will, and a mercurial ease. I liked the fact that he did not over-sell a single joke, the sun looked spontaneous and Blanchard was a delight.

About the earlier part of the evening I have some reservations. These chiefly concern the opening *Four Temperaments*.

Palladium

Cliff Richard

by ANTONY THORNCROFT

New wave, music, the passing himself off as 17 is some how more incongruous than the Shadows, who look their age but seem quite happy about it. Yet with his slimline body, encased in pure white, Cliff Richard is not ludicrous: he has become a national institution quite capable of parodying himself in songs like "Sacharar Boy". His religious convictions are neatly cloaked into the show, and he justifies his two worlds attractively in a song, "Why should the Devil have all the good music?"

The evening is devoted to nostalgia, with Cliff and the Shadows individually, and together, reliving their successes. At the start of the second half, Cliff Richard pushes his recent work but it lacks the frivolous lightness of the old hits. He is best preserved in aspie, going through the early motions rather than using all those old gestures the Max Wall way: the elbow flapping like a chicken—on second rate new material. There is little that is credible in Cliff Richard's current songs, but he is so obviously nice, such a reassuring survivor, that nothing can detract from the appeal of this happy anniversary.

which has undergone more than a sea-change in crossing from New York to Angers. Given a deliberate, highly individual reading, and danced as if every step was fraught with meaning, it suggested that the temperate slides of newspaper photographs, below it Carolyn Brown sets out dances for five couples.

Balloon by CLEMENT CRISP

From Carolyn Brown, Merce Cunningham's partner for many years, we had *Balloon*, with a post-Berio score by Earle Brown. Above the stage hangs a large white balloon on which are projected slides of newspaper photographs, below it Carolyn Brown sets out dances for five couples.



A scene from 'Hopop' Leonard Burt

St. John's, Smith Square

BBC Singers

by RONALD CRICHTON

Monday's was the last of the winter concerts at St. John's, the BBC Singers, always a valuable body, but in recent seasons a very positive contribution to musical life. Their series is admirable in conception and execution. The policy of presenting unfamiliar choral works by familiar composers is fruitful in more ways than one, enriching the repertory, expanding our knowledge of the composers in question. When there are two composers thus featured, and when they are as plausibly contrasted as this season, Strauss and Poulenc, have been, the result is even more rewarding.

One might almost suspect a grain of malice in Monday's juxtaposition of the big Deutsche Motette of Strauss with Poulenc's tiny chamber cantata *Un Soir de neige*, so typical are they of the accepted idea of Teutonic propriety and Gallic brevity. Yet these lively, deep-set performances under the Singers' assistant conductor, Nicholas Cleobury, easily made a case for both extremes. Strauss's rosy polyphony, though once or twice the wheels threaten to stick,

wins through euphony, through the adroit use of four solo voices within the texture, and through the accustomed skill in spinning long lines. Poulenc's short, aphoristic but tender *Eluard* settings are packed with his melodic and harmonic fingerprints, narrow in range yet constantly fresh and telling in effect. Another year, perhaps, the Singers will explore Milhaud's choral music. The stronger members of Les Six have everything to gain by being examined separately, without the corporate badge (a short-term investment if ever there was one) that the age of Cocteau stuck on them.

The same gift for illuminating contrast was shown by the choice of the two first works in this programme, Ligeti's almost immobile *Lux aeterna* and Smalley's *Alissa brevis*, which except in the serene Benedictus for two sopranos is full of violent, wrenching movement. It came up invigoratingly as a whole, though the plonking, detached syllables of the Agnus suddenly sounded dated. Twelve is a dangerous age.

ENTERTAINMENT GUIDE

<p>CC—These theatres accept credit cards by telephone or at the box office.</p> <p>OPERA & BALLET</p> <p>COVENT GARDEN 01-330 5335 Tonight 7.30 Don Giovanni Tomorrow 8.00 The Marriage of Figaro Wednesday 8.00 The Marriage of Figaro Thursday 8.00 The Marriage of Figaro Friday 8.00 The Marriage of Figaro Saturday 8.00 The Marriage of Figaro Sunday 8.00 The Marriage of Figaro</p> <p>THE ROYAL OPERA 01-330 5335 Tonight 7.30 Don Giovanni Tomorrow 8.00 The Marriage of Figaro Wednesday 8.00 The Marriage of Figaro Thursday 8.00 The Marriage of Figaro Friday 8.00 The Marriage of Figaro Saturday 8.00 The Marriage of Figaro Sunday 8.00 The Marriage of Figaro</p> <p>THE ROYAL OPERA 01-330 5335 Tonight 7.30 Don Giovanni Tomorrow 8.00 The Marriage of Figaro Wednesday 8.00 The Marriage of Figaro Thursday 8.00 The Marriage of Figaro Friday 8.00 The Marriage of Figaro Saturday 8.00 The Marriage of Figaro Sunday 8.00 The Marriage of Figaro</p>	<p>OLD VIC 01-330 5335 Tonight 7.30 Don Giovanni Tomorrow 8.00 The Marriage of Figaro Wednesday 8.00 The Marriage of Figaro Thursday 8.00 The Marriage of Figaro Friday 8.00 The Marriage of Figaro Saturday 8.00 The Marriage of Figaro Sunday 8.00 The Marriage of Figaro</p> <p>THE ROYAL OPERA 01-330 5335 Tonight 7.30 Don Giovanni Tomorrow 8.00 The Marriage of Figaro Wednesday 8.00 The Marriage of Figaro Thursday 8.00 The Marriage of Figaro Friday 8.00 The Marriage of Figaro Saturday 8.00 The Marriage of Figaro Sunday 8.00 The Marriage of Figaro</p> <p>THE ROYAL OPERA 01-330 5335 Tonight 7.30 Don Giovanni Tomorrow 8.00 The Marriage of Figaro Wednesday 8.00 The Marriage of Figaro Thursday 8.00 The Marriage of Figaro Friday 8.00 The Marriage of Figaro Saturday 8.00 The Marriage of Figaro Sunday 8.00 The Marriage of Figaro</p>	<p>THE ROYAL OPERA 01-330 5335 Tonight 7.30 Don Giovanni Tomorrow 8.00 The Marriage of Figaro Wednesday 8.00 The Marriage of Figaro Thursday 8.00 The Marriage of Figaro Friday 8.00 The Marriage of Figaro Saturday 8.00 The Marriage of Figaro Sunday 8.00 The Marriage of Figaro</p> <p>THE ROYAL OPERA 01-330 5335 Tonight 7.30 Don Giovanni Tomorrow 8.00 The Marriage of Figaro Wednesday 8.00 The Marriage of Figaro Thursday 8.00 The Marriage of Figaro Friday 8.00 The Marriage of Figaro Saturday 8.00 The Marriage of Figaro Sunday 8.00 The Marriage of Figaro</p> <p>THE ROYAL OPERA 01-330 5335 Tonight 7.30 Don Giovanni Tomorrow 8.00 The Marriage of Figaro Wednesday 8.00 The Marriage of Figaro Thursday 8.00 The Marriage of Figaro Friday 8.00 The Marriage of Figaro Saturday 8.00 The Marriage of Figaro Sunday 8.00 The Marriage of Figaro</p>	<p>THE ROYAL OPERA 01-330 5335 Tonight 7.30 Don Giovanni Tomorrow 8.00 The Marriage of Figaro Wednesday 8.00 The Marriage of Figaro Thursday 8.00 The Marriage of Figaro Friday 8.00 The Marriage of Figaro Saturday 8.00 The Marriage of Figaro Sunday 8.00 The Marriage of Figaro</p> <p>THE ROYAL OPERA 01-330 5335 Tonight 7.30 Don Giovanni Tomorrow 8.00 The Marriage of Figaro Wednesday 8.00 The Marriage of Figaro Thursday 8.00 The Marriage of Figaro Friday 8.00 The Marriage of Figaro Saturday 8.00 The Marriage of Figaro Sunday 8.00 The Marriage of Figaro</p> <p>THE ROYAL OPERA 01-330 5335 Tonight 7.30 Don Giovanni Tomorrow 8.00 The Marriage of Figaro Wednesday 8.00 The Marriage of Figaro Thursday 8.00 The Marriage of Figaro Friday 8.00 The Marriage of Figaro Saturday 8.00 The Marriage of Figaro Sunday 8.00 The Marriage of Figaro</p>
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

No absolute rule

IN HIS recent Mait Lecture on the conduct of monetary policy, the Governor of the Bank of England referred to the National Institute as belonging to the school of those who doubt whether monetary policy can be of much help in controlling inflation. In its latest Review, therefore, the Institute discusses this point at some length. The tone of its discussion is so much more polemical than that of the Governor's lecture that there may seem to be a much greater divergence of views between them than is in fact the case.

The Governor was at pains to emphasise that the Bank had not adopted a wholehearted monetarist philosophy. He referred to the shortcomings of the various monetary measures available. He disavowed any claim that there is always a direct and simple relation of cause and effect between the money supply and the level of prices. He specifically denied that monetary policy could or should be left to fight inflation alone. The National Institute, for its part, is willing to concede that there is such a thing as an excessive rate of monetary expansion and that stability is to be preferred to instability. The real difference comes down to the practical role of monetary targets.

Stability

The Institute's argument on this point is weakened by the way in which it underestimates the practical importance of "stability"—a concept also used by Sir Douglas Wass, the Permanent Secretary to the Treasury, in a lecture delivered shortly after the Governor's and overestimates the practical ease of operating a permanent income policy. The Governor's point of view, with which the Chancellor would not seriously quarrel, is that conventional methods of demand management can only work well against a background of financial stability. This has been seriously upset in the past few years and inflation has become the overriding problem. Whether or not monetary policy is effective as

an instrument of demand management in more normal times, it is needed at the moment primarily to help combat inflation. The publication of targets is intended to demonstrate the commitment of the authorities to this objective.

The Institute claims that the connection between monetary policy and wage claims is unclear and that the connection between wage claims and unemployment has been greatly weakened: it would object strongly to changing fiscal policy for the sake of hitting a monetary target. But though it may be true at present, as the Governor admitted—that those involved in wage bargaining pay little attention to monetary targets, they may well come to pay more if the policy is persisted in. The experience of rapid inflation over the past few years has started a useful process of economic education. A closer co-ordination between fiscal and monetary policy could take it further.

Incompatible

There is one dilemma about the setting of monetary targets, however, which may well raise difficulties. The Institute states it in exaggerated form: "If a monetary target is to be set, it should be sufficiently high and flexible enough to avoid changes in fiscal stance and in the exchange rate which would not otherwise be justified, and at the same time low and firm enough to preserve its (albeit in our view doubtful) role in reducing inflationary expectations." Not surprisingly, it doubts whether both these criteria can be satisfied. The problem, as stated less dramatically by Sir Douglas Wass, is how far to modify other policies if the growth of the money supply looks like falling outside the target range, given that the reaction of financial markets to monetary failure could sometimes be more damaging to the economy than other policy changes. His answer to it was that there is no absolute rule. The right course to follow will depend on the circumstances of the particular case.

Voluntary curbs by Japan

MR. EDMUND DELL, the Trade Secretary, expects the Japanese Government to take action in the near future to control car exports to Britain. If this forecast proves to be correct, it presumably reflects Japan's awareness that, without restraint on their part, formal import controls might be imposed. As a means of avoiding protectionism, voluntary restraint is the lesser of two evils. Whether it will do much to help the British car makers is another question.

Deficit

It should be clear from the start that the very fact that calls for controls or restraints are made reflects the weakness of the British motor industry. The British do not buy Japanese cars because they are forced upon them, nor even nowadays because they are particularly cheap. They buy them because they prefer them to British models and because they are readily available. In times of boom British producers have been unable fully to meet demand and have therefore further diverted consumers elsewhere.

This diversion is not always to Japan. It is car imports in general that have been rising rather than Japanese imports alone. And indeed even if Japanese imports were stopped at their present level, there would be no guarantee that this trend would cease. British consumers might respond, as the Japanese suggest, simply by turning even more to the car-makers of Continental Europe.

The figures for last year are revealing in this respect. Britain's imports of passenger cars from Japan were worth just under £250m, since her car exports to Japan are negligible, there was a deficit of around £240m. Yet the British deficit with the rest of the European Community was more than three times as large at £750m. Again that is a reflection of the weakness of British motor industry, but it is a weakness which is unlikely to be remedied merely by placing restrictions on the Japanese.

Two points emerge. The first

OUR television sets will shortly start becoming interactive. That is a word we had better get used to, because the social consequences are likely to be very far reaching.

Viewers will be able to ask questions of their interactive sets, receive answers, and eventually hold quite extensive conversations by means of a typewriter-style keyboard.

To perform this feat, the conventional set will be modified so that it can be linked through the ordinary telephone network to a series of large Post Office computers. The system, called Viewdata, is to start up on a limited basis in June. It has generated so much interest that the Post Office announced yesterday a full public service is to be offered a year ahead of schedule in early 1979.

The system, invented in Britain, enables the domestic television set to display printed text and simple graphics just as if it were a computer terminal. The original idea was to create a large computerised store of information including encyclopaedias, financial information, timetables and reference material which viewers could call up on to their screens whenever they wished.

But it is now being realised that the possibilities are very much wider than just the provision of an electronic information store, because the computer will be able to receive information from subscribers as well as supply it.

The extraordinary implications of being able to use the television set for two-way communication are still not widely understood. Advertisers, for example, would be able to elicit a direct response from potential customers. By pressing a single button, the viewer could instruct the computer to forward his name and address to the advertiser so that further details can be sent. Viewers could also make purchases in direct response to an advertisement merely by punching in their credit card number. In time, much more sophisticated communication is likely to be developed. Referenda, or possibly even elections, could be conducted by television, in theory at least.

The system could replace large parts of the classified advertising which now help to support newspapers. National and regional registers of cars, houses and other goods for sale could be compiled. Viewers could arrange for advertisements to be included almost instantaneously and deleted immediately the item was sold. Asking prices in advertisements could be lowered by a few strokes at a keyboard.

A full national network suitable for such applications is still some years away—but near enough to cause shivers

of alarm amongst house agents, travel agents, car dealers and publishers of all types. The question whether Viewdata will supplant or merely supplement the printed word and agencies is a fruitful field for speculation.

Another fascinating possibility is that small businesses, clubs, societies and even householders, might rent part of the Post Office's computer network for their own private use, to store information and, where necessary, make calculations. In the longer term it is likely that the domestic television will be made "intelligent" by the addition of a computer etched microscopically on to a slice of silicon the size of a postage stamp.

By this time, plug-in devices like tape recorders and printers could be used in conjunction with the Viewdata system. The television set would then be converted into a quite powerful computer terminal for games, home instruction, business use or such applications as income tax calculations, or mortgage repayments. The programming and basic data for all these uses would be provided down the telephone line from the Viewdata computer memories.

These possibilities are likely to be extended by the adoption of the Post Office's Viewdata system throughout Europe. The German Post Office has already agreed to buy the system for an undisclosed sum, while Holland and Australia are thought to be close to agreement. France, which is developing a different system, is now looking at ways to make it compatible with a European network.

Mr. Peter Benton, head of Post Office Telecommunications, said he hopes Viewdata will be a substantial earner of foreign currency. Some of the revenue will come from patents, but most comes from the sale of software (computer programs) and expertise.

INSAC, the Government's software marketing company is understood to be looking at the possibility of setting up a viewdata service in the U.S. in conjunction with the Post Office.

The designs needed by set-makers are, however, freely available. Even so, Mr. Benton thinks it will be several years before foreign companies can compete with British manufacturers.

The speed with which all these possibilities are exploited will depend very much on the marketing drive, and co-operation between three groups, the Post Office, the television set manufacturers and the providers of information. A great deal will depend on whether prices for modified sets or adaptors and the charges for information can be pitched at the right levels.

When the market trials start on June 1, a rather limited target of 110,000 pages of information has been set. The Post Office will act only as a common cir-

rier responsible for the system, but not, in general, for the information provided.

So far, 100 organisations have signed contracts with the Post Office to provide information for Viewdata. The information providers will pay an annual fee of £250 plus £1 for each frame of 250 characters (about two paragraphs) stored in the computer for a year.

The information providers range from companies and national agencies to consumer advice or public service groups. Some of the information will be free to any subscriber who

The viewer selects the page he requires by pressing numerical keys on a remote control unit which looks like a pocket calculator. Keyboards with the letters of the alphabet will be available for those wishing to send messages to the computer, or via the computer, to other subscribers.

Viewdata receivers will also be able to display pages of text transmitted by the BBC and the independent network on the ordinary channel frequencies. Those services, called Ceefax and Oracle, are free of charge

to hustle ahead. As a result, the Post Office is committed to spending more than £25m, over the next 12 months and to establishing a large new computer investment will allow about 500,000 pages to be stored, with an eventual capacity running to millions of pages. Total investment up to 1985 could be £100m, but the service is expected to be profitable.

The quickened pace of development stems, in part at least, from a realisation that British companies must be

opportunity for the future. Fintel, which is planning to start up with 4,000 pages at the higher priced part of the spectrum, will be providing company analysis and economic information and comment for the business community, which it sees as the main users of the system in the first few years. The Stock Exchange will provide a frequently updated list of share prices and DataStream is planning to produce statistical analyses.

It is generally expected that business services will cost upwards of 10p a page depending on their value, while most of the information directed at individual householders will either be free or priced at a few pence per page. One interesting project aimed at the ordinary consumer is an experimental 65,000 word encyclopaedia to be provided by the British Printing Corporation.

One of the greatest unknowns is the effect which Viewdata and Teletext will have on advertising.

Television advertising, which accounts for 40 per cent. of total expenditures, could be hurt if viewers used the commercial breaks to flip through the teletext pages. Viewdata, on the other hand, represents a direct threat to classified advertising, which is about a quarter of all advertising expenditure and a vitally important part of the income of many newspapers, particularly the provincial Press. When Viewdata gets under way, it is almost certain to be a cheaper way of selling some items, and it may even prove to be more efficient.

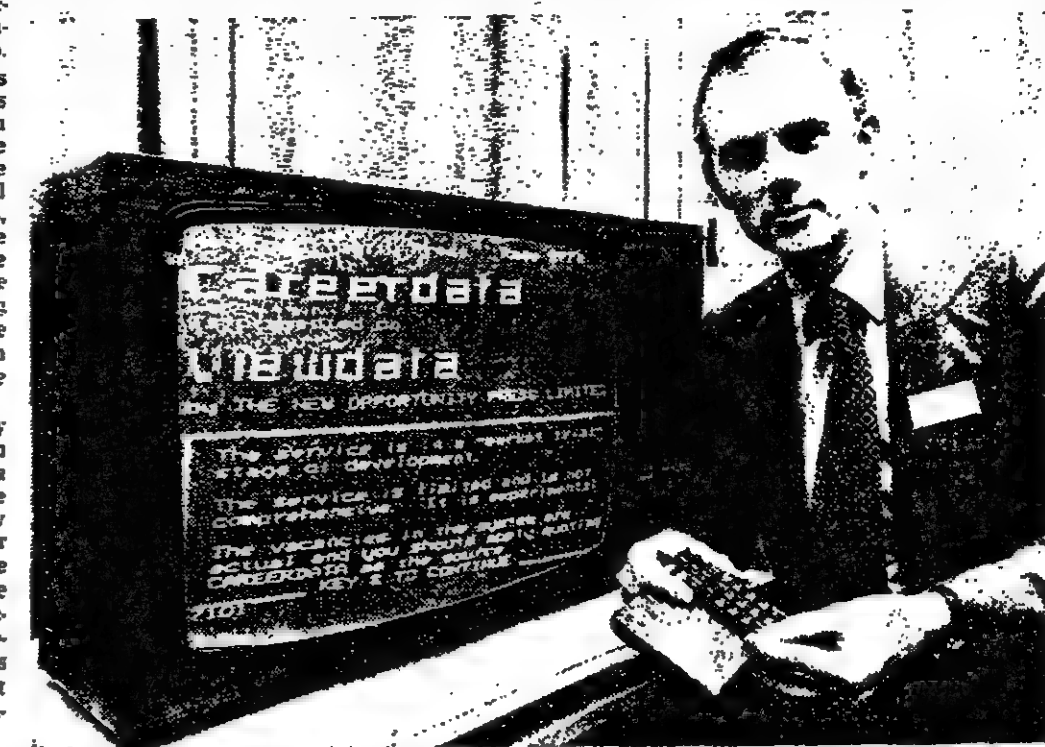
Mackintosh consultants estimate that by 1985 more than half of all television sets delivered will have teletext decoders. It is probable that by then all sets will have space for an optional plug-in Viewdata converter for a small extra cost.

An extra boost to the Viewdata market may come from its interesting communications possibilities. Messages typed into the system can be stored if desired and then forwarded to any other subscriber at a later date. People who are away from their telephone could thus call up Viewdata on their return. Any messages would then be displayed on the television screen. The computer could easily forward the same message to a number of different subscribers, if required. In this way, Viewdata could become an important supplement to the Telex network with which it is to be made compatible.

Because of the large range of its possibilities, Viewdata is arguably as important a development as the invention of television itself. Whether it can achieve the same mass appeal or fully exploit its potential for making detailed knowledge universally available remains to be viewed.

Viewdata: the friendly living room computer

BY MAX WILKINSON



Dr. Alex Reid, head of Viewdata.

Tony Kane

wishes to use it. Other information, particularly financial data used by businesses, will be charged at varying rates up to 50p a page.

To use the service, a subscriber must buy or rent an adapted set. At present the price of an adapted colour set is high, about £700, but this is likely to fall to around £50 to £100 on top of the price for a conventional receiver. Black and white sets for business use will start selling at around £300 to £400. Rental companies estimate they will need to charge an extra £6 a month on top of the present £12 a month for a 26-inch set in a few years' time. In the mid-1980s, the extra cost of a Viewdata set could be as little as £20.

These sets will be connected directly to the telephone line as if they were extension receivers. Connection to the Viewdata computer will be made by pressing a single button. Subscribers will then pay local charges while they are using the service and a flat rate of 1p per page, plus any charge levied by the information provider.

but much more limited than Viewdata. They are limited to a few hundred pages each and cannot be made interactive. The broadcast systems, generically called teletext, will therefore be limited to, for example, news headlines, whereas Viewdata could store entire newspapers and answer queries about them. Because teletext systems transmit all their stored pages in sequence, viewers may have to wait 10 to 25 seconds for the page they want to "capture" on their screen. Only the Viewdata system sends the desired page down the telephone line, and the response time can be much shorter—less than two seconds per page.

When the marketing trials begin, 1,500 subscribers will be chosen to try to evaluate which parts of the service will be of most interest, and how great the traffic will be. Originally, it was expected that these trials would last two years before a final decision on a full public service was reached.

The new head of Viewdata, Dr. Alex Reid, appears anxious

given the chance to exploit this British invention before it is taken up throughout the world. Eight television manufacturers are now developing between them 11 different types of set. Integrated circuit makers are also competing to provide the low-cost components needed for mass production. The 80-odd components now required will be reduced to three or four.

If U.K. companies can reach reasonable production volumes in the next two to three years, they should be well placed to export sets to other European countries when they start up their own services. But if they miss the opportunity, they could easily face a new wave of low-priced imports.

Similarly, the providers of information will have the chance to build up data banks and software expertise which could find a wide market abroad when the systems are hooked up together. For example, Fintel, the company set up jointly by the Financial Times and Exel, to provide electronic information services, sees the European market as a major

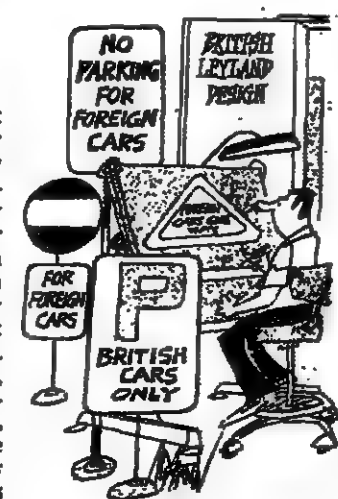
MEN AND MATTERS

Quite a blight of Frosts

What is in a name? A great deal of embarrassment for New York's struggling new daily newspaper, the Trib. It carried on Monday a splashy story asserting that TV superstar David Frost was at Nixon's San Clemente home helping him revise his memoirs to answer the Watergate allegations just published by Bob Haldeman.

The co-authors of the story, Leonard Saffir, the Trib's publisher, and Lammy Johnstone, a senior editor, basked in the glory of the scoop for a few hours. Then Rupert Murdoch's New York Post appeared on the street to inform a bemused New York that yes, David Frost has been working on the proofs of Nixon's book, but this David Frost is a copy editor employed by the New York publishing house, Grosset and Dunlap.

Enjoying the discomfort of their rival upstarts, the New York Times revealed yesterday morning that the 41-year-old bespectacled David Frost was—like his renowned namesake—a bachelor, but without his taste for the bright lights. He had been working in California for some months, copy-editing the proofs of Nixon's book. Somewhat desperately, the Trib asked: "Why would Grosset and Dunlap send a copy editor to San Clemente to work on a big book like Nixon's?" Perhaps the New York Times has the answer. It points out that the quieter Frost is highly esteemed



for his correction of grammatical mistakes and checking of facts.

A bit hackneyed

Those Black Beauties, London cabs, are under threat—from an animal which has still to be seen, the Eurocab. Inevitably, Brussels regulations on taxis do exist and one fine but unknown day are to be introduced here. They will supersede the existing Public Carriage Office regulations: it is a development to which London cabbies look forward. It was only in the 1960s that taxis were freed from the legal obligation to carry a bale of hay on their roofs.

Cabbies still feel they are subjected to extreme pressure from the Home Secretary, a few now plan to sue him for abusing his powers ever since 1907. The latest issue of the trade magazine, Taxi, even argues that the taximeter may be illegal since no Act of Parliament says a cab shall be fitted with a meter.

The Eurocab rules already

have manufacturers angling for what could be a major market. British Leyland and Carbodies Ltd., who make the present Austin FX4, hope the FX5 will win out. "Low and clean cut" according to David Arnold, editor of Taxi, it is a mixture of the classic taxi and a comfortable car. But the British are running behind their competitors.

At a New York exhibition two years ago, Renault, Alfa Romeo and Volvo had new cabs on the exhibition stand, but the British could only send their FX4, the old workhorse basically designed 25 years ago. Volvo have a city taxi in production, while one London taxi firm is about to bring in a Mercedes for radio hire to test passenger reactions. But the FX5 still only exists as a full-scale mock-up. Carbodies need £4m to return to production, only 60 vehicles per week would be hardpressed to supply the whole Eurocab market. For the moment, London drivers are busy arguing about whether doors on the Eurocab should open forwards to prevent fares skiving, should slide (which might trap the driver in) or be controlled by the driver. The last idea, the most in-vital, comes from Japan—of course.

Helmut's Eurocrat

Chancellor Helmut Schmidt is renowned for his scathing view of the European Commission in Brussels; he calls it an "indefatigable bureaucracy." But that has not stopped him appointing as his new economic adviser Dr. Horst Schulmann, who until last year was one of the leading "Eurocrats."

Schulmann, blond-haired and 45, has behind his relaxed manner a keen brain and an unerring instinct for the next stepping stone to the top. On hearing that Dr. Dieter Hiss was

leaving the German Chancellery job after nearly four years, former Brussels acquaintances said simply "Schulmann will get it."

The reasons are plain. He has broad international experience, including five years at the World Bank in Washington. He has a knack of analysing a complex situation and analysing it in a way which should endear him to his new boss—bluntly and briefly.

Can supporters of a "great leap forward" to European economic and monetary union (EMU) now claim a foothold in the powerhouse of the EEC's strongest nation? It is not so. Perhaps because his Brussels experience, Schulmann appears to be as much a gradualist on EMU as is Schmidt.

Celtic coolness

Even if you do not support Plaid Cymru, a show of enthusiasm for the Welsh language is highly desirable in the principality these days. Yet the 50,000 businesses based in Wales have not heeded the message—only eight have so far taken advantage of the special provisions in the 1976 Companies Act allowing them to register the description "Cymydegiel" rather than "Limited" and to submit statutory documents in Welsh.

Seven of the eight are in mid or north Wales, the bastions of Celtic nationalism. Closing date for Cymric registration is April 18, after which the firms who have not exercised the option must stick to English for ever. The only exception is for companies which have not been established for a year on that day—but with only eight patriots so far on the books there will be no need for the Registrar of Companies to lay on extra Welsh-speaking staff to cope with a rush.

FACTS you will wish to consider when making a will

★Over 300,000 of Britain's old people are in genuine need because of acute loneliness, bad housing or disability. The number is growing as the proportion of elderly people increases.

An official report records the sad fact that many old people are "buddled in icy rooms, wrapped in rugs, unable to afford proper heating." It is medically estimated that up to 20,000 are at risk in winter from "hypothermia" (fall in "inner" body temperature).

★The tragic need of old people is increasing.

★Voluntary service is increasingly needed to bring personal care to old people, and to meet widening gaps left by state organisations.

★Old people overseas also struggle against terrible hunger and lack of medical help.

How Help the Aged get things done for those in the greatest need

★It mobilises experienced volunteer effort, and so achieves maximum results from every £ entrusted to it.

★It has pioneered flats for old people; and now Day Centres for the lonely. Work Centres to provide light employment, and Day Hospitals for those who need regular treatment but not full-time hospital. The charity is also active in funding, volunteer transport for the housebound, extra medical research, and much more.

★In places stricken by earthquakes, floods and famine, and hunger. Help the Aged is well known for its swift practical aid.

The charity's work has been endorsed by many eminent people, including Lord Shawcross, General Sir Brian Horrocks, and Dame Vera Lynn.

Its President is the Rt. Hon. Lord Gardner; Hon. Treasurer, the Rt. Hon. Lord Maybray-King.

Write or telephone for interesting and informative booklets and the annual report and accounts to: The Hon. Treasurer, Lord Maybray-King, Help the Aged, Room F75L, 32 Dover Street, London W1A 2AP (Telephone: 01-499 0972).

Perpetuate a loved name and help work for old people

£150 inscribes a name in enduring memory on the Dedication Plaque of a Day Centre.

£100 provides a hospital bed in India or Africa, with an inscription of your choice.

Observer

Fishing in muddied waters

By PHILIP RAWSTORNE in Ilford

MRS. T's Fish-In. The Ilford North fish and chip shop sign hangs down: why comment on to-morrow's by-election in which the Tory leader's immigration line trails its vote-catching lure.

A month ago, the day after Mrs. Margaret Thatcher's television interview, a visitor to Ilford found all the major parties there agreed that immigration would not be an issue in the campaign. The National Front was a shadowy presence. It had made little impression in last year's GLC elections, and there seemed no reason why it should fare any better in a constituency with only 3,000 Asian immigrants, but a large established Jewish population. Community relations were good; voluntary welfare and social organisations flourished.

An opinion poll last week showed that 75 per cent. of Ilford's electors still believed that the area had no problems that could be associated with coloured immigrants. Yet the pollsters reported that immigration now ranked second in public concern to the cost of living in the constituency; and the campaign headlines in Ilford reflected the fact that it had become the most emotive issue of the hustings.

Mrs. Thatcher has complained that the issue was first raised by the news media and that she merely responded honestly to public anxiety. But Sir Keith Joseph, the Tory policy overlord, went to Ilford to tell fellow Jews "who are just like everyone else as the saying goes, only more so," that they had good reasons for supporting her stand on immigration. Jewish immigrants had been refugees from persecution, he said. "They asked for nothing except the chance to make their own way."

Many Commonwealth immigrants, he added, had, of course,

sought no more. But though he hoped Britain would remain a sanctuary for refugees, Sir Keith asserted that it was not "a country of immigration."

The Prime Minister, in his message to the Labour candidate, accused the Tories of preaching a doctrine that would result in conflict and confrontation. Mr. Marlyn Rees, the Home Secretary, charged them with "making racial hatred respectable."

Mr. William Whitelaw, the Tory deputy leader, chose a speech in Ilford to reject this "misleading abuse" and attacked the Government for its "shattering complacency."

The Labour candidate's election address did not mention immigration at all. The Tory pamphlet distributed to Ilford's voters stated with scant regard for fact: "The Labour Party plans to relax immigration controls."

As the controversy grew, the atmosphere of unreason developed. Gregarious Ilford, with its tea clubs for promoting international friendship, had to put up the shutters as the National Front grew from a minor political irritant into an inflammatory threat. Five thousand police with dogs and riot shields were deployed to shadow the mass canvasses which the National Front substituted for its banned marches. Only that display of strength and a *douche* of cold rain averted violence in the streets.

Other grounds

Ilford's reactions in the ballot box to all these pressures will be studied with some concern for their implications for the national course of British politics. Labour seems resigned to losing the seat. Its hope is that the Tory majority will be narrow enough to suggest that

the contest was decided on grounds other than immigration. For even before the intrusion of the immigration issue, the Conservatives were clearly favourites to regain this most marginal of Labour's London seats.

Ilford strikes one as natural Tory territory: a mixed-class suburb with an ambitious urge to self-betterment. In the huge Hainault council estate which helped Labour to its 778-vote majority in October 1974, a quarter of the houses have been sold to their tenants. Boundary changes made it marginal constituency in 1974 but reversion to its instinctive Toryism appears to have begun.

Mr. Vivian Bendall, the 39-year-old Croxall estate agent, who represents the Conservatives, finds responses at the doorstep encouraging. Apart from his initial election address, he has left the running on immigration to others, while he bounds along the streets with his eight-man "circus" of canvassers.

This is his third election. He twice fought Mrs. Shirley Williams at Hertford and Stevenage in 1974 and he is a shrewd campaigner. Raising a quizzical eyebrow, he bombards the voters with anticipatory questions: "What bothers you? High prices? Fed-up with high taxes?"—and presents himself as the reassuring answer to them.

Prices and taxes are his major targets but in an area with few jobs, he has found a growing fear of possible unemployment among the young. Another issue susceptible to his appeal. Local questions, primarily the maintenance of Ilford's grammar schools, he regards as a political bonus in his favour.

Behind him, the Conservative Party organisation hums with confident efficiency. A legion

of ladies were licking envelopes last week for the final stages of a precisely-mapped campaign.

With the National Front's candidate, Mr. John Hughes, and his migratory organisation outflanked, the only apparent threat to the Tory advance comes from the unexpected challenge of Mr. Tom Iremonger, the former MP who held the seat for the party for 20 years. He got his name in the Guinness Book of Records by polling the same number of votes—19,843—at the two 1974 general elections but got a rejection slip from Ilford Tories shortly afterwards allegedly because of his political eccentricities.

Nervousness

His return now as a Conservative Independent Democrat has roused a little nervousness and more bitterness in the local party. Mr. Iremonger says his aim is to ensure that Margaret Thatcher becomes Prime Minister. A maverick back-bencher in the Commons, he describes himself as a "gut Conservative" as distinct from "Punk Tories" of the Heath image. The party is finally coming round to his way of thinking, he says, and the personal vote he has secured in Ilford over the years could make the vital difference for the Tories between victory and defeat there at the next General Election. In the interests of that long-term prospect, Mr. Iremonger believes it would be better to split the Tory vote, ensure the party loses tomorrow, and force it to redeem its sins of omission against him by reappointing him as the next Conservative candidate.

But with the help of little more than a megaphone, Mr. Iremonger is obviously having some difficulty in getting that

complex message across. "It is not easy to get the right balance between an aggressive campaign and one that will not alienate support of Tories for me," he admits. Because an opinion poll has indicated that only 12 per cent. of Ilford knows that Mr. Iremonger is back, the official Conservative response to his presence has been to ignore it in the hope that it might disappear. The most realistic estimates credit him with a likely vote of about 1,500—a total that might certainly be dangerous to the Conservatives' chances but is generally considered unlikely to upset the balance tomorrow. The opinion polls last week gave the Conservative a substantial lead over Labour.

The Conservatives count on more than off-setting votes lost to Mr. Iremonger with benefits from a collapse of the Liberal vote. The defection of some liberal voters to Labour at the last election is believed to have been the key to Labour's victory. Desperate to-morrow from the Liberals' total of just over 1,000 in 1974, are likely to be the Tories.

The efforts of Mr. John Freeman, the Liberal candidate, to head on to the 1974 vote, appear to have had little success. There are signs that Liberal leaders pushed into the contest, have been reconciled from the start to facing another embarrassing inquest on the electoral effects of the Lib-Lab pact. Mr. Clement Freud, Liberal MP for Epsom, arrived at a Press conference last week and offered only the hope that Liberals would emerge from the contest with a stronger local organisation. "I do not believe we shall do sensationally well," he smiled doggedly.

Mr. Freeman, born and bred in Ilford and head of a primary



Violence at Saturday's National Front canvass in Ilford North was averted by a display of police strength and by rain. Martin Webster (right), the Front's national organiser, chats to his party's candidate before the canvass.

school, fights on defiantly. It is important that the Liberals' voice should be heard in the by-election, he insists, and it is no fault of his that his modest and moderate demands for consensus and community politics have been drowned in the babel. He is a church deacon and has been genuinely appalled by the ferocity of the immigration controversy, and fears the social damage that may result. "I have never seen anything so sad and desperately unpleasant in my life," he says.

Mrs. Tessa Jowell, the young Labour candidate, brings dash and enthusiasm to Labour's campaign. Even so, the party seems vulnerable and defensive. "Winning through with Labour," as her posters hopefully proclaim, frankly still looks a bit of a struggle. The return to single figure inflation which was expected to give Labour a rousing send off failed to bring many voters to the doorstep in obvious gratitude. "It's a question of time," says Mrs. Jowell, and many of her aides suspect that the by-election has come too soon for the Government's electoral popularity to be solidly re-

established on the basis of the country's financial recovery.

A strong pound and a balance of payments surplus tend to be discounted against the weekly shopping bill; and voters do not yet feel able to afford any appreciation for Labour's assertion that Britain no longer depends on international loans to keep it going. Nor were they transported by the visions of future prosperity from North Sea Oil that are projected from the party's headquarters in a former spiritualist church—particularly, when a possible rail strike threatened the area's already flimsy public transport.

"People need a great deal of talking to," Mrs. Jowell admits. A Camden councillor and assistant director of MIND, the mental health pressure group, she brings an appealing social concern to her campaign. But in the immigration furor she has found it difficult to focus the debate on what she calls the real issues.

"Do not let us give up now," she urges Labour supporters. "It is going to be very close." If Labour voters have been

listening, they could be persuaded to make a fight of it. But as Mrs. Jowell waited outside factory gates to speak to them last week, many sprinted past her in other directions.

THE CANDIDATES

Mr. Vivian Bendall	(Con.)
Commander W. G. Roakes	(White Residents)
Mr. John Freeman	(Lib.)
Mr. John Hughes	(Nat. Front)
Mrs. Tessa Jowell	(Lab.)
Mr. Tom Iremonger	(Independent Con. Democrat)
Miss C. Rowe	(E. London People's Front)

OCTOBER 1974 RESULT

Mrs. M. Müller (Lab.)	20,621
Mr. Iremonger (Con.)	19,843
Mr. G. L. Wilson (Lib.)	8,080
Lab. majority	778

Letters to the Editor

Independent outsiders

From Mr. H. Parker.

Sir—I cannot let Lombard's piece, "Putting a Monkey on the Board" (February 24), pass without comment. In spite of his light-hearted treatment of the subject, Anthony Harris touches on an issue that lies at the heart of this country's industrial performance. I refer to the generally uneven quality and competence of many public company Boards of directors.

This is a complex and controversial subject which cannot be dealt with adequately in a letter. But I strongly disagree with the comment by Mr. Harris that the CBI's suggestion to appoint three outside directors on public company Boards is a "remarkably puny proposal." Far from being a puny proposal, I can think of no single action that could do more to improve the quality of many Boards—and thus the performance of their companies—than to make this an absolute requirement.

One reason for the historically inadequate performance of so many U.K. companies is that their Boards have been incapable of putting real pressure on their managers. And the most common cause of this has been the "executive" nature of both the "executive" and "non-executive" directors on public company Boards—that is, a Board consisting solely of executive managers. Such a "Board" is unlikely to be dissatisfied with the company's (that is, their own) performance, and even less inclined to do anything drastic to improve it—like sacking themselves, for example.

Mr. Harris seems to have missed the real point of outside directors in suggesting that all they can do (without violating the laws regulating insider trading) is to see no evil, hear no evil and speak no evil. The right kind of outside director armed with the right kind of experience and information can be a powerful force on behalf of all stakeholders in the company, and can contribute a great deal to the effectiveness of its Board and management.

Therefore, investors—whether institutional or not—should look closely at the composition and quality of any public company's Board in addition to other more conventional indicators. Unless there are some independent heavyweight outsiders on the Board, they might reasonably ask why this is so and what the chairman proposes to do about it.

Hugh Parker;
McKinsey and Co.
74, St. James's Street, S.W.1.

Education options

From Mr. G. Young.

Sir—The interesting article by your Education Correspondent (February 25) on the options open to the Government to cope with a probable temporary expansion of higher education facilities in the 1980s does not touch on a sixth option, namely, raise the qualifications for entry to universities, polytechnics and colleges.

Some of these have shown a "drop out" rate of 10 per cent. in the last few years and even for those with a lower rate, a high proportion of people abandoning their studies are first-year students in other words, they should never have gone on to higher academic studies at all. Nor should 15-year-olds be admitted to study notorious subjects like "Independent Studies," "Liberal Studies," "General Studies," and the like more than generalised

reading which could be done at home. As Carlyle said: "The true university of these days is a library of books."

I am aware that employers are much "reiter" to take on graduates where a few years ago they would have been reluctant to do so. But they must have their needs met. In my experience they do not want applicants with a past degree in some indeterminate subject.

The Robbins Report does not have to be treated as Holy Writ. It is 15 years since it came out. Since then we have developed the Open University, while a number of institutions offering managerial and professional training have come into being. It is high time universities and polytechnics toughened up standards.

G. K. Young.

Tory Action.

P.O. Box 850, W.14.

Supply of teachers

From Mr. G. Williams.

Sir—The Department of Education and Science discussion document (February 25) has put forward five possible methods of dealing with the peak of 600,000 students in the 1980s. You highlight the choices which involve the possibility of having to man the institutes for the peak period and then face the difficulty of removing surplus teachers at the trough of demand.

Why does the Department not consider manning the peak period by training as teachers people in their early 50s whose retirement would coincide with the fall off in demand? There must be substantial numbers of men and women in industry, commerce and the civil service who would like a second career or who are being pressed by their employers into early retirement.

A programme of recruiting 1,000 teachers aged 50 now, 2,000 aged 51 next year and 3,000 aged 52 in 1981 with a two-year trial and can contribute a great deal to the effectiveness of its Board and management.

Geoffrey G. Williams.
10, Malden Road,
Watford.

Continuing detente

From Mr. M. Chermusson.

Sir—Your European editor, Reginald Dale, on the Belgrade Conference (February 21) states that "both sides" are playing a "game" in Belgrade. The game, according to him, is to ensure that the other side takes the blame when failure is finally admitted.

Such conduct may be usual in the Western Press, but as a Soviet journalist I find it both shocking and disturbing. Neither my country nor the other Socialist countries are in Belgrade to play games. They want to achieve positive results in continuing the process of de-escalation and cooperation which was begun with such high hopes at Helsinki in 1975.

The Soviet Union has never attempted to resist a "genuine dialogue" at Belgrade, as Mr. Dale alleges. But it will not be a party to meaningless interference in the internal affairs of sovereign States on the pretext of discussing alleged human rights violations in the Socialist countries.

nuclear weapons. This is how our country is supposedly sabotaging the conference. Perhaps Mr. Dale could devote a future article to explaining why the West is so afraid of a proposal that both East and West should pledge themselves not to be the first to use nuclear weapons.

Games are all very well, but our mutual survival is really much too important for point-scoring.

Nikolai Chermusson.
Pushkin Square, Moscow,
USSR.

The cost of a map

From Mr. B. Platt.

Sir—Fellow-readers who, like myself, have had little experience of the pitfalls of overseas trade for the individual, might take warning from the following. In my professional capacity I have for several years had dealings with the French equivalent of the Ordnance Survey. My last order was for a map costing £12, plus £3 for carriage. Unfortunately it did not come through the post, but through National Carriers. For a £12 purchase these worthies insist on the following little "extras":

Bill of sight	£ 6.00
Examination and clearance	4.50
Customs entry, correspondence, etc.	12.50
Total	23.00

Not surprisingly, I shall ask National Carriers to destroy the package. It will be much cheaper to repurchase during my next visit to France.

Bernard Platt.
(Teacher responsible for geography.)
Marsh Hill School,
Mampton Road, Stockland Green,
Birmingham.

The status of farmers

From the Chairman,

Cheshire Branch Country Landowners' Association.

Sir—One must sympathise with the southern branch of the National Farmers Union (February 21) whose invitation to seven MPs to see for themselves the methods and problems involved in food production was ignored by all but one—Mr. Douglas Mann. The Country Landowners' Association recently, in this region at least, has been more fortunate, though we have undoubtedly met with similar apathy in the past.

We held a briefing in Cheshire last year to which 30 urban Conservative MPs and prospective candidates were invited. Seven MPs and 11 prospective candidates actually accepted—a reasonable turnout. They had a useful day visiting farms seeing the direct selling method in practice and examining the tenancy system with both landlord and tenant present. The party discussed legislation, taking concrete examples from particular farm enterprises visited. The briefing was welcomed by the politicians who came and the effort appreciated. Some of the visitors proved well-primed and knowledgeable. Others were blissfully ignorant. Each one was better informed by the end of the day.

The status of the farmer in this country is politically low. Politicians are looking for votes and they do not look to minority groups. In Denmark, where the farmer has a significant influence on the vote, the industry receives the utmost encouragement, to the extent that the nation is not only self-sufficient, but exports two-thirds of its produce. The Netherlands, with its dynamic system of intensive agriculture, has 3, Court Drive, Croydon.

achieved a remarkable level of productivity because the Government is supremely alive to the needs of the industry. Mr. 1974 the German produced 88 per cent. of their total food consumption, while in this country we produced a mere 54 per cent. (These figures exclude foodstuffs which cannot be grown in Northern Europe viz. bananas.)

If the British expect food at reasonable prices the Government of the day must encourage investment in agriculture, for the cost of imported food will rise much higher yet. As long as MPs are content to chase the vote rather than brief themselves, the essential needs of the British economy will take second place and British farming will suffer from sublime ignorance; because it is not an urban vote-catcher.

R. C. Roundell.

Dorfold Hall,

Nr. Nantwich, Cheshire.

A public scandal

From Professor D. Myddelton.

Sir—It really is absurd for the Price Commission to pretend to be able to identify the "correct" price for tea. How can anybody calculate such a price without fully incorporating the long-term aims and expectations of market participants?

Mr. Charles Williams appears not to appreciate that market prices are an outcome of the market process, not a mere quantification of Government orders. If he is really so smart, why doesn't he tell the Stock Exchange what the prices of each of the quoted securities on that market "ought" to be?

May I emphasise that those who support the market system don't regard the cost of Government bureaucrats' salaries as an insuperable burden (though they are certainly mounting up). What is insufferable is the continual interference with the activities of productive business managers. The amount of productive time that now has to be wasted in dealing with Government officials is a public scandal.

D. R. Myddelton.

Cranfield School of Management,

Cranfield, Bedford.

Tumbling prices

From Mr. M. Wilkin.

Sir—Nearly all world commodity prices enjoy a free market, nearly all commodity prices have tumbled over the past six months. Will the Labour Party claim this fact as its own personal achievement in its fight against inflation?

Come come Mr. Hattersley you cannot have it both ways by enjoying the benefits of free markets while at the same time fixing the price of tea!

Or will the Government (through the Enterprise Board) in future give rebates to those industrial companies who can prove they bought their raw materials at the top?

M. J. Wilkin.

6, Laurence Pountney Hill,

E.C.4.

Three acres and a cow

From Mr. H. Whitebread.

Sir—Your correspondent (February 11) is in error in ascribing to Lloyd George the phrase "three acres and a cow"—it goes back almost to before Lloyd George's time. It originated with Jesse Collings who held office in the Conservative administration at the turn of the century.

GENERAL

National Economic Development Council meets.

Interest on National Savings Bank deposit accounts reduced to 8½ per cent.

Mrs. Shirley Williams, Education Secretary, addresses rally of South Herts Labour Party, Borehamwood.

Sir Geoffrey Howe, Shadow Chancellor of the Exchequer, is chief speaker at annual conference of Conservative Party's Small Business Bureau, Carlton Hall, S.W.1. Other speakers include Mr. Reginald Prentice, MP.

Professor Charles Rowley, Professor of Economics, Newcastle

To-day's Events

University asks "How shall we pay for Education?" St. Lawrence Jewry next Guildhall, E.C.2, 1.15 p.m.

London Chamber of Commerce export finance discussion group: "The Financial Situation in Eastern Europe," 89, Cannon Street, E.C.4, 10 a.m.

Duty-free cigarettes and alcohol now available on ships and aircraft between Britain and Irish Republic.

Anti-Apartheid Movement and End Loans to South Africa group expected to hold day of action against Barclays Bank.

International Monetary Fund monthly gold auction, Washington.

European Space Agency ends two-day meeting, Paris.

London Chamber of Commerce trade mission to Yemen Arab Republic returns.

PARLIAMENTARY BUSINESS
House of Commons: Wales Bill, committee.
House of Lords: Debate on decline in respect for authority and need to re-assess primacy of the law.
Select Committees: Expenditure (Trade and Industry sub-committee).

tee). Subject: Public Expenditure White Paper 1978—Support for Industry. Witnesses: Officials from Department of Industry (10.15 a.m. Room 16). Nationalised Industries (sub-committee C). Subject: Independent Broadcasting Authority. Witnesses: IBA (4 p.m. Room 8). Expenditure (Social Services and Employment sub-committee). Subject: Employment and training services. Witnesses: Institute of Careers Officers (5 p.m. Room 18).

COMPANY RESULT
General Accident Fire and Life Assurance Corp. (Full year).

COMPANY MEETING
Birmingham Pallet, Birmingham, 12.

FOR HIRE

Magic flute.

This year, thanks to their continuing association with Imperial Tobacco, Glyndebourne are staging a new production of Mozart's 'The Magic Flute'.

Imperial Tobacco is just one of a number of far sighted UK companies to have realised that the arts in this country—ballet, opera, theatre, film, art and music—need money if they are going to survive.

But this is not a charity advertisement.

ABSA—Association for Business Sponsorship of the Arts—exists to encourage the growth of sponsorship for the mutual benefit of both business and the arts.

We regard sponsorship as much more than mere philanthropy. Many of our member companies, like Philips Industries, Midland Bank, Imperial Tobacco and Marks and Spencer, are already testifying to the benefits of their involvement with a whole spectrum of cultural activities.

Arts sponsorship is one of today's most exciting and worthwhile forms of promotion. Find out more now. Whether yours is a large or small business, return the coupon for further details of ABSA, its membership and its services.

Association for Business Sponsorship of the Arts

To: Association for Business Sponsorship of the Arts,
3 Priory Place, Bath BA1 1JX.
Please send me full details of ABSA.

Name _____

Company _____

Address _____

Imperial Tobacco Limited have donated this advertisement in support of ABSA and the Arts.

COMPANY NEWS + COMMENT

Waterford Glass increase is £2.48m.

WITH ALL divisions performing satisfactorily and despite some adverse effects from currency movements, Waterford Glass achieved a 3.7 per cent. jump in pre-tax earnings from £6.75m. to a record £9.25m. Sales climbed £20.8m. to £100.5m.

Half-time profit was better at £3.82m. compared with £2.66m. The company had taken steps to minimise the impact of further foreign exchange fluctuations during the current year and the present indications are that growth will be sustained in all group activities, the directors say.

Earnings per 5p share are shown at 4.7p (3.18p) basic, or 4.22p (2.98p) fully diluted and a net final dividend of 0.795p raises the total to 1.302p, against an equivalent 0.9488p.

Manufacturing relief, which allows a tax rate of 25 per cent. has been claimed in the group and total tax for the year was £2.85m. (£2.35m.), representing a lower overall rate of 31.7 per cent. (34.8 per cent.).

For the year pre-tax margins were ahead from 8.5 per cent. to 9.1 per cent. Year end bank borrowings at £14.24m. (£11.78m.) represented 40 per cent. (38 per cent.) of members' funds.

Group turnover	1977	1976
Pre-tax profit	9,250	6,750
Tax	2,850	2,350
Net profit	6,400	4,400
Dividends	795	949
Reserves	1,000	1,000
Ord. dividends	795	949
To revenue reserves	4,004	2,658

comment

Pre-tax profits at Waterford Glass are just above market expectations but the reduced tax charge as a result of manufacturing relief subsidies was something of a surprise. With borrowings under tight control this holds the ratio to shareholders funds down to a very comfortable 40 per cent. and spells the end of the high gearing period of the mid-70s. On the trading front crystal demand remains very high but supply is now limited by capacity and there is also the exposure to the weak dollar to worry about. In the future the group will need to rely more on the other divisions for organic growth; minorities suggest that the Waterford group has contributed £1.5m. against last year's £900,000 and further internal expansion is planned for this division. At 44p the p/e is 10 but the dividend (overed 3.6 times) yields only 4 per cent.

IRISH LIFE QUILTS LOA

Irish Life Assurance Company has resigned from The Life Offices' Association. Irish Life said it has taken this decision with regret, purely for administrative reasons, because of the consequences of continuing to apply to their relatively minor U.K. business the LOA commissions structure which differs from that operated within the Republic of Ireland.

Company	Page	Col.	Company	Page	Col.
Alcan (U.K.)	21	4	Metaltrax	18	2
Allied Insulators	18	2	Mount Charlotte	20	1
Blackwood Hodge	19	3	Nac. Westminter	19	1
Braime (T.F. & J.H.)	21	4	Nottm. Manufacturing	19	4
Broadstone Trust	18	8	Raine Higgs	18	5
Clifford & Snell	19	3	Roskill Eng.	18	4
Crest Nicholson	19	1	Sidgwick Forbes	19	4
First Scot. Am.	19	3	Tace Group	19	5
Imperial Metal	18	7	Thorn Subs.	18	8
Ind. Investment	18	6	Utd. Glass	20	7
Invst. in Success	18	4	Waterford Glass	18	1
Merchant Investors	18	5	Woodhouse Rixson	18	4

Metaltrax soars by 74%

HAVING expanded second-half taxable earnings from £328,089 to £573,117, which exceeded the previous full-year figures, Metaltrax (Holdings) ended 1977 with total profit 74 per cent. ahead at £1,471m. against £844,335. Turnover at the Birmingham-based engineering group was up £3.78m. at £11,049m. and a one-for-ten scrip issue has been announced.

The results include five months' profits of Bacoil which for 1976 had shown a surplus of £153,000. The directors say the group's performance confirms the continuing strength in its engineering sector. Stated earnings per 5p share were 0.14p (5.04p) and a net final dividend of 0.69315p lifts the total to a maximum permitted 1.12135p (1.0137p adjusted for scrip).

The new scrip issue will absorb £69,315. This is the ninth consecutive year that the company, which now operates 18 engineering companies in England and Wales, has made a bonus issue.

Turnover	1977	1976
Pre-tax profit	1,471	844
Tax	400	300
Net profit	1,071	544
Dividends	100	100
Reserves	1,000	1,000
Ord. dividends	1,071	544
To revenue reserves	1,000	1,000

comment

Metaltrax's pre-tax profits rise of 74 per cent. on a turnover increase of 51 per cent. was achieved in a difficult year for engineering companies operating in the U.K. However, the group's broad spread of interests in comparatively small companies—which can quickly switch production direction to meet differing demands—is ideally suited to cope with a recession. Conversely the group will have less ground to pick up when the next upturn comes and therefore commitments include expenditure

for diversification of products in the high and low tension divisions, and new product development at Unilever Technical Ceramics.

Capital spending in the last five years has totalled almost £2m. although market conditions in 1977 limited the extent of utilisation of some additional capacity.

A current cost statement included with accounts shows the £1.6m. (£1.5m.) profit reduced to £336,000 after additional depreciation of £175,000, the cost of sales adjustment of £253,000 and a £25,000 general expense.

For the year there was a £222,300 (£1,170m.) increase in working capital.

Moet's Stock-on-Trent, March 23 at 11.30 a.m.

Turnround at Roskill to £0.2m.

CLOTHING DISTRIBUTORS Roskill Holdings returned to the black with a £202,000 profit against a £127,000 loss in the 28 weeks period ended December 10, 1977, but directors hold out little hope for dividends this year.

They explain that the firm's pattern of earnings is for two-thirds of profit to be achieved in the opening half-year, and say that a better trading pattern is being experienced in the second half.

The net interim dividend is unchanged at 0.228p per 10p share and the directors expect a total not less than last year's 0.8512p.

£m	1977	1976
Sales	1,200	1,100
Cost of sales	650	600
Gross profit	550	500
Operating expenses	350	300
Investment income	100	100
Finance charges	100	100
Tax	100	100
Net profit	202	127
Dividends	100	100
To revenue reserves	102	27

comment

The last dividend payment was in 1974-75 when a total of 2.31p was paid on pre-tax profits of 0.8m.

Last year's £100,000 loss took the total deficit for 1975-76 and 1976-77 to £171,000. After last year's loss the directors predicted a return to profits for 1977-78.

Turnover for the half-year rose from £7.2m. to £8.5m., and profit in the opening period of £400,000 (£31,000). There is no tax credit compared with a £31,000 credit last time.

Roskill has made a dramatic turnround into profits, but it has not come from the new venture. Fashionware, which is a direct selling operation through private cheque, is evidently this has turned out to be a failure. The recovery has come from traditional party plan selling where a revamped range has helped to encourage sales.

At Woodhouse and Rixson, the lion's share of clothing party sales, but even so, it is hard to shake off memories of earlier sharp downturns. The one clear message from the figures is that Roskill is still operating in a volatile market. Party selling is the mainstay of the company and the market must take a cautious view. Assuming £300,000 pre-tax for the year the fully taxed p/e is 7.9 at 12p.

future growth may be less dramatic than at other currently less well placed engineering groups. Last year the group's mixed bag of companies all enjoyed profit growth while profits received an additional boost from Bacoil, the latest of a long line of acquisitions by the group. To date these purchases have not stretched group borrowings and despite some additional debt brought in by Bacoil, net borrowings are still thought to be less than 20 per cent. of shareholders funds. Meanwhile the shares yield 5.6 per cent. with a p/e of 5.6 at 39p.

Prospects for Allied Insulators

WITH THE pound strengthening without any indication of abatement in the rate of cost increases, Allied Insulators' competitive position in export markets must be adversely affected, Mr. A. Lloyd, chairman, says in his statement with accounts.

In the long-term much will depend upon containing costs that are controllable.

But the January 1 order book represents six months of budgeted production, and this augurs well for the immediate future, Mr. Lloyd says.

He says net borrowings have increased by almost £0.8m. required primarily to provide additional working capital owing to continuing pressure from increased costs. Stock levels have also built up following an upturn in activity in December, 1977.

In December 31, 1977 year-end the group acquired 75 per cent. of the capital of Advanced Materials Engineering and 30 per cent. of an associated activity in the U.S.

For the six months it was controlled by Allied it incurred a small trading loss, but is expected to contribute to profits in 1978.

Capital spending for 1977 of £0.8m. (£0.3m.) includes £180,000 earmarked for ABE. Other major commitments include expenditure

on the payment of a bonus of £2.1m. (£1.7m.) to employees participating in the 1977 Profit sharing scheme. This is equivalent to 3.5p (2.9p) per £1 of qualifying remuneration. Mr. Michael Clapham, the chairman, said that the company planned to spend over £22m. on acquisitions, but adds, "there is no particular thing in sight". The company is interested in expanding selectively in the U.S. but again there is no major acquisition in view.

Commenting on the ICI offer for sale last October, the chairman says, "as a Board, we welcomed ICI's decision at the time and nothing has since changed our view." On both sides there has been the recognition that the paths of the two companies were diverging and that there were potential conflicts of interest.

Statement Page 19

See Lex

Advance by Broadstone Trust

NET REVENUE for 1977 of Broadstone Investment Trust advanced from £89,327 to £28,570 after tax for £112,346 compared with £33,201.

Earnings are given as 5.48p per 20p share against 4.71p and the final dividend is 3.75p net lifting the total from 4.5p to 5.15p.

Thorn companies improve

THREE MEMBERS of the Thorn Electrical group improved profits in the six months to September 30, 1977.

Radio Rentals (Holdings) lifted profit before tax from £14.2m. to £16.53m. on turnover of £66.7m. compared with £60.8m. previously.

The result is after depreciation of £7.47m. (£10.2m.), hire of television sets from its immediate parent and other subsidiaries of £10.7m. (£8.35m.) and interest charges of £0.96m. (£0.54m.) (2.8p) (2.1p) and attributable profit is £8.04m. (£7.07m.).

market to North America, and the withdrawal of the payment of Regional Employment Premium added to the problem since it has not been possible fully to recover such by increased prices, they say.

Merchant Investors'

Merchant Investors Assurance, a member of the Nationale Nederlanden Group, has launched the Single Premium Personal Pension Plan, a single premium self-employed pension contract de-

ISSUE NEWS

Yearlings un

National Westminster Bank

GROUP RESULTS FOR 1977

Pre-tax Profits £228 million
Total assets at end of year exceed £19,000 million

After paying:
— Staff costs — including a share of the profits
— Interest on funds lodged with us
— Other running costs of the business

THE PROFIT WE EARNED WAS £228 million

Out of this we provide:
TAXATION £117 million
DIVIDENDS TO OVER 112,000 SHAREHOLDERS £26 million
and after minor adjustments of £4 million

WE KEEP IN THE BUSINESS £81 million

— to maintain adequate capital resources, particularly in times of inflation
— to help finance the growth of our world-wide business

Investing in Success at £191,111

Revenue of "Investing in Success" for the year to January 31, 1978, emerged higher at £191,111 compared with £154,123 last time, and the dividend is stepped up to 2.904p against 2.403p with a final of 2.112p net per 28p share.

The amount retained came out at £13,386 (£8,947), contingent liabilities per share are shown as 1.1p (1.02p), and net asset value per share 169.01p (£153.95p).

ABM PURCHASE

Associated Biscuit Manufacturers has signed contracts for the purchase of Draxons for the purchase of a private German company at the "top end" of the confectionery market. The deal, which became effective on January 1, 1978, will bring Draxons into the ABM group.

Draxons Ann Weslake had sales of £1.6m. in 1977.

ELLIS & EVERARD

Ellis and Everard have acquired Queegley Leasure and Varghese, which are being transferred to Ellis and Everard (Chemicals).

The purchase price totals £20,000 and will be satisfied by the issue of 35,000 Ordinary shares in Ellis and Everard.

Woodhouse & Rixson at £0.2m.

AFTER FALLING from £34,000 to £31,000 in the first half of 1977, the extraordinary item is the estimate of total closure expenses and terminal losses. The company had ceased production by November 30 and the site will be cleared in three months. Certain plant is being relocated in the U.K. Losses have been totally absorbed into this year's accounts.

Earnings are shown at 2.1p (1.7p) per 23p share. The dividend is raised from 2.070p to the maximum permitted 2.31006p net with a final of 1.35003p.

	1977	1976
Group turnover	22 1/2	16.42
Trading profit	620	339
La Brique loss	223	159
Interest paid	131	52
Profit before tax	266	625
Tax recoverable	15	115
Net profit	281	737
Extraordinary	913	—
Deficit for share	700	237
Interim dividend	119	106
Proposed final	136	100
Surplus	—	—

An analysis of pre-tax profits

An analysis of pre-tax profits shows that Woodhouse and Rixson contributed £17,000 (£5,500) with £47,000 (£11,000) in the second half. Cocker Bros. £241,000 (£163,000) with £141,000 (£103,000) in the second half. Isolux Oldbury £181,000 (£151,000) with £111,000 (£81,000) in the second half. Woodhouse and Rixson £148,000 (£107,000) with £107,000 (£77,000) in the second half. Woodhouse and Rixson Canada a loss of £17,000 (£15,000) with £4,000 (£1,000) in the second half. Woodhouse and Rixson (Holdings) a loss of £42,000 (£153,000) profit with £20,000 (£15,000) in the second half. Exchange losses absorbed £15,000 (£20,000) gain.

Mr. G. S. Baker, the chairman, says that in view of the continuing expansion in Belgium, together with the medium-term view of world

Yearlings up again

The coupon rate on this week's batch of local authority yearling bonds climbed 0.1 of a point for the second week in succession to 3 1/2 per cent. The bonds are issued at par and due on March 7, 1979.

This week's issues are: City of Dundee District Council (£2m.), Fife Regional Council (£2m.), City of Leeds (£2m.), Bracknell District Council (£2m.), Oxfordshire County Council (£2m.), South Derbyshire District Council (£1m.), West Yorkshire Passenger Transport Executive (£2m.), Newark District Council (£2m.), City of Kingston Upon Hull (£1m.), Strathclyde Regional Council (£1m.), West Yorkshire Metropolitan Council (£1m.).

ABM PURCHASE

Two-year bonds carrying a coupon of 9 1/2 per cent. at par and due on February 27, 1980 are issued by Erewash Borough Council (£1m.), West Yorkshire Passenger Transport Executive (£2m.).

The London Borough of Croydon is issuing £1m. of variable rate bonds due on February 23, 1981 at par, and Surrey County Council is raising £1m. of variable rate bonds due on February 24, 1982 at par.

L. RYAN

L. Ryan Holdings, which is to seek recognition for its Ordinary shares, is not a subsidiary of the Hodge Group.

Woodhouse & Rixson at £0.2m.

into account the nature of the losses incurred in the closure of the Belgian operations, together with current trading activity, and cash flow projections for 1978 which are encouraging.

Acquisition discussions are taking place in areas which will complement the existing activities of the group, members are told.

The level of activity is greater than that in the last 12 months, say the directors, though there are certain areas that are still under-employed. During the last six months they look for the elimination of losses together with a more modest upturn in forging activity.

comment

Woodhouse and Rixson's share price rose 2 1/2p in the market yesterday to 33p largely on recognition that, without the losses on flanges at home and in Belgium pre-tax profits would have been £723,000. With Belgium closed, there is a drastic action underway to cut losses at W and R Flanges, prospects for a recovery to 1975 profit levels are better, say the directors. Excluding flanges only the open die forging division now looks weak; the second half slump there reveals the extent of continuing pressure from imports. Portway where the extra 40 per cent. capacity in closed die forgings is already proving valuable, appears to offer most potential. Cocker Springs should be a steady profit centre but the trailer side, while a growth area short term, has a limited ultimate market. Further acquisitions could provide a boost but the erratic performance of the group in the past few years, coupled with a new management structure which is still to be tested, must leave a questionmark over the rating. The p/e is 14.7 and the recovered dividend yields 11 per cent.

DIVIDENDS ANNOUNCED

Company	Current dividend	Date of payment	Corresponding dividend	Total dividend	Total dividend for year
T. F. and J. H. Brakes	2.53	April 27	2.08	3.33	2.98
Roadstone Trust	2.75	April 27	2.15	5.15	4.8
Clifford & Snell	0.31	April 28	0.15	0.35	0.35
First Scot. Am.	1.85	April 14	1.85	3.70	3.55
Inv. in Success	1.15	April 12	0.95	2.10	2.07
Int. Inv. Trust	1.45	—	1.34	2.82	2.74
Inv. in Success	2.11	—	1.67	3.78	3.61
Mt. Charlotte Investments	0.69	—	0.61	1.30	1.21
Nac. Westminter	0.49	April 4	0.37	0.86	0.86
Raine Engineering	0.29	May 3	0.29	0.58	0.57
Sidgwick Forbes	0.28	—	0.28	0.56	0.56
Waterford Glass	0.74	April 22	0.55	1.29	1.29
Woodhouse and Rixson	1.16	—	0.92	2.08	2.05

Dividends shown a penny per share net except where otherwise stated. *Equivalent after allowance for scrip issue. †On capital increased by rights and/or acquisition issues.

Raine Eng. falls midway

WITH THE continuing effect of the recession in the steel industry, Raine Engineering's annual dividend is £500 and the plan is to pay a 10 per cent. increase between the ages of 16 and 74. Additional contributions of not less than £500 can be made at any time, the objective being to provide complete flexibility in payment of contributions.

The amount allocated to units depends on the policy terms and the amount invested varies from 25 per cent. for terms of 10 years or more and investment of at least £1,000 to 90 per cent. for a one year term with investment less than £1,000. There is a choice of five investment funds on the guaranteed growth fund and the investor can switch between funds in amounts of not less than £250 per fund, at very low cost.

The contributions qualify for tax relief at the investor's marginal rate up to the limits of 15 per cent. of earnings or £3,000 whichever is the lesser. The benefits are in the usual form for self-employed contracts and the investor can take the pension either in level form, or escalating at 3 per cent. per annum or in unit-linked form.

Progress at Internl. Investment

GROSS INCOME for the year to January 31, 1978, of International Investment rose from £1.7m. to £1.8m., and pre-tax revenue advanced from £1.55m. to £1.67m. after management expenses of £222,024 (£206,507) including debenture interest of £118,824 (£108,481).

Tax absorbs £115,484 (£109,481) including overseas tax of £41,028 (£31,034) and earnings are shown at £2.96p (£2.71p) per 23p share. The final dividend is 1.43p (£1.34p) net for a 2.904p total.

The net asset value is given as 22.5p (£21p) deducting prior charges at par and as 97.5p (£86p) with prior charges at market value.

Merchant Investors'

Merchant Investors Assurance, a member of the Nationale-Nederlanden Group, has launched the Single Premium Personal Pension Plan, a single premium self-employed pension contract.

ISSUE NEWS

Yearlings up again

The coupon rate on this week's batch of local authority yearling bonds climbed 0.1 of a point for the second week in succession to 3 1/2 per cent. The bonds are issued at par and due on March 7, 1979.

This week's issues are: City of Dundee District Council (£2m.), Fife Regional Council (£2m.), City of Leeds (£2m.), Bracknell District Council (£2m.), Oxfordshire County Council (£2m.), South Derbyshire District Council (£1m.), West Yorkshire Passenger Transport Executive (£2m.), Newark District Council (£2m.), City of Kingston Upon Hull (£1m.), Strathclyde Regional Council (£1m.), West Yorkshire Metropolitan Council (£1m.).

MIDLAND BANK STATISTICS

Statistics compiled by Midland Bank show that the amount of "new money" raised in the U.K. by the issue of marketable securities in February was £110.2m., compared with £91.0m. in the corresponding month of 1976.

The bulk of February's figure was accounted for by eight company issues totalling £105.2m. The Midland Bank's rights issue which raised £99m. the largest since ICI's £204m. issue in May 1976.

SAMUEL OSBORN

Samuel Osborn announces that the exercise by convertible share holders of the right to convert their shares has resulted in the conversion of a total of 101,502 convertible shares, representing 9.7 per cent. of such shares, into fully paid ordinary shares of £1 each.

The company intends to give notice to the remaining holders of convertible shares requiring that the balance be converted subject to the right of any such holder to elect instead to have his convertible shares redeemed at par.

Woodhouse & Rixson at £0.2m.

into account the nature of the losses incurred in the closure of the Belgian operations, together with current trading activity, and cash flow projections for 1978 which are encouraging.

Acquisition discussions are taking place in areas which will complement the existing activities of the group, members are told.

The level of activity is greater than that in the last 12 months, say the directors, though there are certain areas that are still under-employed. During the last six months they look for the elimination of losses together with a more modest upturn in forging activity.

comment

Woodhouse and Rixson's share price rose 2 1/2p in the market yesterday to 33p largely on recognition that, without the losses on flanges at home and in Belgium pre-tax profits would have been £723,000. With Belgium closed, there is a drastic action underway to cut losses at W and R Flanges, prospects for a recovery to 1975 profit levels are better, say the directors. Excluding flanges only the open die forging division now looks weak; the second half slump there reveals the extent of continuing pressure from imports. Portway where the extra 40 per cent. capacity in closed die forgings is already proving valuable, appears to offer most potential. Cocker Springs should be a steady profit centre but the trailer side, while a growth area short term, has a limited ultimate market. Further acquisitions could provide a boost but the erratic performance of the group in the past few years, coupled with a new management structure which is still to be tested, must leave a questionmark over the rating. The p/e is 14.7 and the recovered dividend yields 11 per cent.

IMI £4.1m. ahead to peak £34.2m.

DESPITE a second half downturn of £3.67m. to £16.2m. Imperial Metal Industries finished 1977 with record taxable profits of £34.2m. compared with £30.8m. This is equivalent to 3.5p (2.9p) per £1 of qualifying remuneration, a profit of £1.2m. in respect of the change in value of the net current assets of overseas subsidiaries, arising from changes in exchange rates.

Overseas activities boost Sedgwick Forbes NatWest to £227m

WITH LOW domestic activity being more than offset by growth elsewhere, notably overseas, group pre-tax profits of National Westminster Bank rose by 21 per cent to £227.5m, in 1977 following a first-half advance of 37 per cent to £109.5m.

At the interim stage, the directors said that while it was difficult in the prevailing conditions to make a confident forecast for the remainder of the year, indications were that results for the second six months were unlikely to match those of the first in this event the second half produced £107.6m.

During the year activity in the U.K. was at low level but substantial advance was achieved in international operations. After allowing for a reduction of £20m, in the provision against advances the profit contribution from domestic operations showed an increase of 10 per cent, while the International Westminster Bank group (which contributes 30 per cent of total profits) lifted its contribution by 22 per cent.

Mr. Robin Leigh-Pemberton, chairman, says that on the domestic front, there has been some erosion in the level of seven-day deposits but this has been more than matched by the buoyancy of current account balances; there has been only a modest increase in lending. Interest rates were substantially lower, particularly in the second half.

Excellent results were achieved by the related banking services division whose profit contribution doubled and now constitutes 13 per cent of total profits. The largest contributions came from Lombard North Central and County Bank. There has also been an increase in the profits of associates.

The chairman says it is too early to make any predictions for 1978, but, unless interest rates rise, and there is significant growth in lending, performance on the domestic

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends are likely to be increased or not, and the following are based mainly on last year's results.

Company	Date
British Overseas Airways Corp.	Mar. 1
British Telecom	Mar. 1
British United Assurance	Mar. 1
British United Assurance	Mar. 1
British United Assurance	Mar. 1
British United Assurance	Mar. 1
British United Assurance	Mar. 1
British United Assurance	Mar. 1
British United Assurance	Mar. 1
British United Assurance	Mar. 1

FUTURE DATES

Company	Date
British Overseas Airways Corp.	Mar. 1
British Telecom	Mar. 1
British United Assurance	Mar. 1
British United Assurance	Mar. 1
British United Assurance	Mar. 1
British United Assurance	Mar. 1
British United Assurance	Mar. 1
British United Assurance	Mar. 1
British United Assurance	Mar. 1
British United Assurance	Mar. 1

front will remain subdued. The chairman says that the group's international and related banking activities are seriously, and the chairman is looking for continued profit growth to this area.

After all charges, the profit attributable to Ordinary holders emerged ahead from £84.2m to £107.6m, giving basic earnings per share of 48.37p (42.82p) or 45.79p fully diluted.

The dividend is stepped up from 10.3817p to 11.497p net, with a final of £2.227m.

Referring to the credit for a reduction in provision against advances, Mr. Leigh-Pemberton said yesterday that unless there was a serious change in the group's bad and doubtful debt experience the situation was likely to recur in the current year.

On the growth of the international operations the chairman made it clear that the group was hoping to expand by acquisition in the U.S.

Statement Page 18

See Lex

Blackwood Hodge keeps to forecast

THE DIRECTORS of Blackwood Hodge, the earthmoving equipment sales and service group, confirm that profits for 1977 will be above the record £17.7m achieved in 1976.

This statement coincides with the release of the results of Blackwood Hodge (Canada) which show a recovery from a pre-tax loss of £1.5m to a profit of \$469,000.

The directors state that they have considered the Canadian figures together with the results of other group companies available at this time and they do not consider it necessary to amend the group forecast made last April, and repeated at the interim stage in September, that turnover and profit of the group for 1977 will be in excess of that for 1976.

In the first six months group pre-tax profits rose from £5.8m to £7.6m.

Turnover of the 75 per cent-owned Canadian subsidiary increased from \$9.0m to \$10.8m. After charges of \$1.3m, the net profit rose from \$1.5m to \$4.6m.

During the year, the group continued its policy of reduction of expenditure to attract new business, of consolidating recent developments overseas, and of establishing new ventures with strong local partners in other areas overseas.

Mr. Hodge, chairman, says that the group's performance should be a good growth potential. Towards the end of 1977, it was agreed to merge the group's South African insurance broking interests with those of the Federal and Volksk Group.

In Brazil, the group established a joint venture with the largest Brazilian-owned firm of insurance brokers, Porto, Nazareth S.A., and Sedgwick Forbes, Hong Kong, was set up as a wholly-owned subsidiary in Malaysia and Argentina.

The group's contribution to the U.K. pre-tax profits rose from £1.7m to £2.2m in 1977.

The chairman states that in spite of unfavourable economic conditions in most of the world, the group has been able consistently to demonstrate its

ability to grasp the opportunities which appear even in recession. He believes this will continue and that the group's worldwide strength, flexibility, and professionalism will find it exceptionally well placed to benefit from the economic turnaround which, he says, must eventually occur.

Statement Page 31
See Lex

Tace sees reasonable progress

THE first quarter of the current year at Tace has been affected by the phasing of certain large orders and some poor market conditions. However, forward projections indicate that results for the full year will show reasonable progress.

Mr. J. H. M. Mackenzie, chairman, says that the control engineering companies continue to show the best performance in the group and good results are again anticipated from this division.

For the first quarter of the year, Tace's turnover rose from £10.5m to £11.0m, and its profit from £1.5m to £1.8m.

The most significant event that occurred during the year in balance sheet terms was the acquisition of the company's claim against the vendors in connection with the purchase of the Dutch companies in March, 1977.

The original consideration of £1m, of which £233,000 was repaid in cash and the balance, representing the deferred consideration, was cancelled.

A professional revaluation of the group's properties at September 30, 1977 resulted in a surplus of £218,000. The result of the revaluation, the Dutch settlement and the cancellation of the claim against the vendors, increased from £1.4m (23p per share), adjusted to £2.0m (33p per share) as the result of different treatment of deferred tax, to £2.6m (38p per share) in 1977.

At the same time net borrowings were reduced from £3.6m, representing 17 per cent of the adjusted assets, to £2.3m, 18 per cent of assets, a substantial reduction in capital requirements.

During the year under review, Duplex Industries, a substantial customer, had a receiver appointed and, though trading continues, an uncollected debt of £125,000 has been fully provided for in the accounts.

London and Northern Group is interested in 1.1m ordinary shares and 0.3m Preferred Ordinary shares. Meeting, Essex Hill, W.C., on March 29, at 11 a.m.

The chairman states that in spite of unfavourable economic conditions in most of the world, the group has been able consistently to demonstrate its

Clifford and Snell ahead so far

Pre-tax profit of electrical and electronic engineers, Clifford and Snell, rose from £20,324 to £23,375 in the six months to September 30, 1977.

Turnover rose marginally from £20,800, to £20,870, and net profit was £24,875 (28.53p) after tax of £21,500 (25.30p).

Earnings per 3p share are shown ahead from 0.88p to 0.89p and the interim dividend is up from 0.154p net per share to 0.158p. A final of 0.4188p was paid on profits of £137,117 last year.

Due to consistent investment in modern production facilities, the group is well placed to take advantage of opportunities which may arise and will use its resources to produce a year of further progress.

As reported on February 14, pre-tax profits rose from £11.27m to £13.02m, on turnover of £128.5m, to £130.1m. Earnings are shown at 30.24p (13.45p) basic and 19.19p (13.99p) fully diluted, after tax of £4.52m (13.28p) and the dividend is the maximum permitted 3.348875p (2.9043p) net.

The policy of making full provision for deferred tax has been reviewed in the light of the 28.53p dividend. The tax deferred will remain as a result of further increases in stock levels and continuing capital expenditure. Provision has been continued to be made in areas where future investment programmes indicate that tax at present deferred may become payable.

Capital expenditure on new buildings and plant amounted to £9m in 1977. This was used to increase productive capacity and to improve the efficiency of the manufacturing plant. At end-1977, commitments for expenditure at end-1977 amounted to £2.97m, compared with £2.51m at end-1976.

Debtors have increased in line with turnover, while stocks have

also risen reflecting higher prices of raw materials. There has been a further advance in liquid resources, which despite the high level of capital expenditure and increased working capital requirements, now amount to more than £26m, and taking investments at book value only represent 30 per cent of equity capital employed. Following the revision for deferred tax provisions, the net assets now exceed £30m, for the first time.

The chairman says that trading conditions, during the year, were not easy but results from all areas were satisfactory in the context of the markets in which they have had to operate. The group has had continuous pressure on costs but through increased output and efficiency has maintained profit margins overall.

Export sales totalled a record £13.05m, an increase of 30 per cent on 1976. There has been a strengthening of sterling, which may affect competitiveness. In certain markets the directors remain committed to a sustained expansion of exports and anticipate further progress in this area.

Meeting, Mansfield, on March 22, at 10.30 a.m.

AMAL INDUSTRIALS

Accumulated industrial data that the court hearing of its application for the sanctioning of the scheme of arrangement under section 206 of the Companies Act 1948 has been adjourned for seven days and in consequence it is unlikely that the scheme of arrangement will become effective until about March 10.

Discount houses paid 34.54 per cent for secured call loans, and interbank overnight rates touched 11.75 per cent, before closing at 8.49 per cent.

Bank of England Minimum Lending Rate of 8 per cent (since January 6, 1978).

Day-to-day credit was in short supply in the London money market yesterday, and the authorities gave very large assistance by buying a very large amount of Treasury bills from the discount houses, and a small number of local authority bills. Part of the help was on a purchase and resale basis, to help some houses over an expected shortage of bills, which may be required for technical reasons. The number of bills in circulation has tended to decline recently, partly as a result of the authorities' willingness to buy bills to ease day-to-day shortages, and also because the number of bills offered for tender each week has been lower than the number of maturities.

The scale of assistance was a probably more than enough to take out the underlying shortage and this coupled with the method of help continued to soothe market sentiment, although short-term rates remained very firm in the

inter-bank market. Banks brought forward surplus balances yesterday but this was outweighed by a fairly large take-up of Treasury bills, a substantial excess of revenue payments to the Exchequer over Government disbursements, a rise in the note circulation and further money for the call on 10 per cent. Exchequer bills.

Discount houses paid 34.54 per cent for secured call loans, and interbank overnight rates touched 11.75 per cent, before closing at 8.49 per cent.

Bank of England Minimum Lending Rate of 8 per cent (since January 6, 1978).

Day-to-day credit was in short supply in the London money market yesterday, and the authorities gave very large assistance by buying a very large amount of Treasury bills from the discount houses, and a small number of local authority bills. Part of the help was on a purchase and resale basis, to help some houses over an expected shortage of bills, which may be required for technical reasons. The number of bills in circulation has tended to decline recently, partly as a result of the authorities' willingness to buy bills to ease day-to-day shortages, and also because the number of bills offered for tender each week has been lower than the number of maturities.

The scale of assistance was a probably more than enough to take out the underlying shortage and this coupled with the method of help continued to soothe market sentiment, although short-term rates remained very firm in the

inter-bank market. Banks brought forward surplus balances yesterday but this was outweighed by a fairly large take-up of Treasury bills, a substantial excess of revenue payments to the Exchequer over Government disbursements, a rise in the note circulation and further money for the call on 10 per cent. Exchequer bills.

Discount houses paid 34.54 per cent for secured call loans, and interbank overnight rates touched 11.75 per cent, before closing at 8.49 per cent.

Bank of England Minimum Lending Rate of 8 per cent (since January 6, 1978).

Day-to-day credit was in short supply in the London money market yesterday, and the authorities gave very large assistance by buying a very large amount of Treasury bills from the discount houses, and a small number of local authority bills. Part of the help was on a purchase and resale basis, to help some houses over an expected shortage of bills, which may be required for technical reasons. The number of bills in circulation has tended to decline recently, partly as a result of the authorities' willingness to buy bills to ease day-to-day shortages, and also because the number of bills offered for tender each week has been lower than the number of maturities.

The scale of assistance was a probably more than enough to take out the underlying shortage and this coupled with the method of help continued to soothe market sentiment, although short-term rates remained very firm in the

inter-bank market. Banks brought forward surplus balances yesterday but this was outweighed by a fairly large take-up of Treasury bills, a substantial excess of revenue payments to the Exchequer over Government disbursements, a rise in the note circulation and further money for the call on 10 per cent. Exchequer bills.

Discount houses paid 34.54 per cent for secured call loans, and interbank overnight rates touched 11.75 per cent, before closing at 8.49 per cent.

Bank of England Minimum Lending Rate of 8 per cent (since January 6, 1978).

Day-to-day credit was in short supply in the London money market yesterday, and the authorities gave very large assistance by buying a very large amount of Treasury bills from the discount houses, and a small number of local authority bills. Part of the help was on a purchase and resale basis, to help some houses over an expected shortage of bills, which may be required for technical reasons. The number of bills in circulation has tended to decline recently, partly as a result of the authorities' willingness to buy bills to ease day-to-day shortages, and also because the number of bills offered for tender each week has been lower than the number of maturities.

The scale of assistance was a probably more than enough to take out the underlying shortage and this coupled with the method of help continued to soothe market sentiment, although short-term rates remained very firm in the

inter-bank market. Banks brought forward surplus balances yesterday but this was outweighed by a fairly large take-up of Treasury bills, a substantial excess of revenue payments to the Exchequer over Government disbursements, a rise in the note circulation and further money for the call on 10 per cent. Exchequer bills.

Discount houses paid 34.54 per cent for secured call loans, and interbank overnight rates touched 11.75 per cent, before closing at 8.49 per cent.

Bank of England Minimum Lending Rate of 8 per cent (since January 6, 1978).

Day-to-day credit was in short supply in the London money market yesterday, and the authorities gave very large assistance by buying a very large amount of Treasury bills from the discount houses, and a small number of local authority bills. Part of the help was on a purchase and resale basis, to help some houses over an expected shortage of bills, which may be required for technical reasons. The number of bills in circulation has tended to decline recently, partly as a result of the authorities' willingness to buy bills to ease day-to-day shortages, and also because the number of bills offered for tender each week has been lower than the number of maturities.

1977 Results

Year ended 31st December 1977
£000

404,045	Group sales to external customers	467,016
30,075	Group profit before taxation	34,201
19,557	Earnings after tax applicable to IMI	17,155
6,146	Dividends	6,916
208,188	Net tangible assets	228,700

Notes

1 Group profit before taxation includes a loss of £0.3 million (1976: profit: £1.2 million) in respect of the change in value of the net current assets of overseas subsidiaries arising from changes in exchange rates. Of this amount, £0.1 million (1976: profit: £0.4 million) is applicable to minorities.

2 Provision has been made for the payment of a bonus of £2.1 million (1976: £1.7 million) to employees participating in the IMI Profit Sharing Scheme. This is equivalent to a bonus rate of 3.3p (1976: 2.9p) per £ of qualifying remuneration.

3 The Group's share of the profits, less losses, of major associated companies, amounting to £341 million (1976: £4.2 million), has been included in Group profit before taxation.

4 The charge for taxation is based on a UK Corporation Tax rate of 52% (1976: 52%) and has been reduced by £0.3 million (1976: £0.4 million) for the proportion of investment grants credited to profits. Taxation on overseas profits is effectively at lower rates.

Group sales increased by £63 million in 1977. Volume was about 3% higher. Overseas sales increased by 14% to £169 million, of which £82 million was direct exports from the UK.

Substantial increases in profit were derived from our fluid power, valves and alloy tube and fittings activities, but there was some downturn in profit from titanium, copper tube and zip fasteners. Excluding exchange losses, profits in the second half of 1977 were £1.5m down on those of the first half. This was primarily due to a reduction in volume. There is at present no indication of any general increase in demand in 1978.

CCA Estimates

Application of the proposals included in the interim recommendation published by the Accounting Standards Steering Committee in November 1977 would show a CCA profit before taxation of approximately £20 million.

Dividends

The Directors recommend a final dividend at the rate of 7.1769p per 25p Ordinary share, payable on 13 April 1978 to shareholders on the Register at the close of business on 10 March 1978, which will absorb £3,739,000 (1976: £3,333,000). Together with the interim dividend of 6.0p paid on 12 October 1977 this makes a total of 13.1769p for the year (1976: 11.8959p).

Building Products Fluid Power Zip Fasteners

Heat Exchange General Engineering Refined and Wrought Metals

Imperial Metal Industries Ltd., Kynoch Works, Witton, Birmingham B6 7BA

NOTICE OF REDEMPTION

to the holders of

AMAX INC.

(formerly American Metal Climax, Inc. and Ammax International Capital Corporation)

8 3/4% Guaranteed Sinking Fund Debentures

due April 1, 1986 (Blue Color)

NOTICE IS HEREBY GIVEN THAT, pursuant to Section 3.01 of Article Three of the Indenture dated as of April 1, 1971, among Amax Inc., formerly American Metal Climax, Inc. and Ammax International Capital Corporation (hereinafter called "the Company"), American Metal Climax, Inc., Guarantor, and Bankers Trust Company, Trustee (hereinafter called "the Trustee"), there will be redeemed on April 1, 1978, through the operation of the Sinking Fund, at a redemption price equal to 100% of the principal amount to be redeemed, \$316,000 principal amount of 8 3/4% Guaranteed Sinking Fund Debentures due April 1, 1986 (hereinafter called "the Debentures").

The following are the serial numbers of the Debentures bearing profits 31 to be redeemed:

57	904	1700	2427	3080	3789	4504	5137	5515	5956	7240	8118	8743	9138	10016	10696	11287
58	926	1708	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
59	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
60	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
61	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
62	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
63	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
64	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
65	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
66	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
67	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
68	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
69	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
70	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
71	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
72	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
73	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
74	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
75	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
76	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
77	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
78	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
79	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
80	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
81	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
82	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
83	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
84	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
85	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
86	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
87	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
88	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
89	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
90	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
91	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
92	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
93	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
94	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
95	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
96	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
97	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
98	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
99	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296
100	928	1705	2434	3084	3794	4509	5142	5520	5961	7243	8122	8744	9147	10025	10705	11296

APPOINTMENTS

Gilt-Edged Market

PARTNERSHIP

A long-established firm of stockbrokers with an enviable reputation in its specialist fields wishes to build up its gilt-edged business into a significant element of its investment services.

A gilt-edged dealer with a first-class reputation in the market is sought to build up or recruit the necessary team. The opportunity would appeal to a candidate in a senior position looking for a fresh challenge.

The firm offers - the opportunity to create a new team

- a name on which to build

- a free hand within agreed policy and budget

- recognition in the form of a partnership with seniority to match performance.

All approaches will be treated in strictest confidence and nothing revealed to our client without express permission.

Write, quoting reference 1074, to M. J. H. Coney, or ring 01-236 8000.

Peat, Marwick, Mitchell & Co.,
Management Consultants,
165 Queen Victoria Street,
Blackfriars, London EC4V 3PD

CONTRACTS AND TENDERS

Snm

SOCIÉTÉ NATIONALE INDUSTRIELLE ET MINIERE (SNIM)

MAURITANIAN ISLAMIC REPUBLIC

MODIFICATION

NOTICE OF PREQUALIFICATION-A

The Société Nationale Industrielle et Minière (SNIM) has issued a notice of prequalification-A, concerning various supplies and works involved in the "Projet Guelles."

Firms wishing to take part in the final tenders invited by SNIM/SOCOMINE for these supplies and works are advised that the date of delivery to SOCOMINE of their prequalification statements is deferred from March 10 to March 20, 1978.

COMPANY NOTICES

ASEA KATIBOLGA VASTERS, SWEDEN

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders will be held in the City of Stockholm, Sweden, on Thursday, March 16, 1978, at 4 p.m.

ITEMS

1. Approval of the financial statements for the year ended December 31, 1977.

2. Election of Directors for the year 1978.

3. Election of Auditors for the year 1978.

4. Approval of the proposed dividend for the year 1977.

5. Approval of the proposed dividend for the year 1976.

6. Approval of the proposed dividend for the year 1975.

7. Approval of the proposed dividend for the year 1974.

8. Approval of the proposed dividend for the year 1973.

9. Approval of the proposed dividend for the year 1972.

10. Approval of the proposed dividend for the year 1971.

11. Approval of the proposed dividend for the year 1970.

12. Approval of the proposed dividend for the year 1969.

13. Approval of the proposed dividend for the year 1968.

14. Approval of the proposed dividend for the year 1967.

15. Approval of the proposed dividend for the year 1966.

16. Approval of the proposed dividend for the year 1965.

17. Approval of the proposed dividend for the year 1964.

18. Approval of the proposed dividend for the year 1963.

19. Approval of the proposed dividend for the year 1962.

20. Approval of the proposed dividend for the year 1961.

21. Approval of the proposed dividend for the year 1960.

22. Approval of the proposed dividend for the year 1959.

23. Approval of the proposed dividend for the year 1958.

24. Approval of the proposed dividend for the year 1957.

25. Approval of the proposed dividend for the year 1956.

26. Approval of the proposed dividend for the year 1955.

27. Approval of the proposed dividend for the year 1954.

28. Approval of the proposed dividend for the year 1953.

29. Approval of the proposed dividend for the year 1952.

30. Approval of the proposed dividend for the year 1951.

31. Approval of the proposed dividend for the year 1950.

32. Approval of the proposed dividend for the year 1949.

33. Approval of the proposed dividend for the year 1948.

34. Approval of the proposed dividend for the year 1947.

35. Approval of the proposed dividend for the year 1946.

36. Approval of the proposed dividend for the year 1945.

37. Approval of the proposed dividend for the year 1944.

38. Approval of the proposed dividend for the year 1943.

39. Approval of the proposed dividend for the year 1942.

40. Approval of the proposed dividend for the year 1941.

41. Approval of the proposed dividend for the year 1940.

42. Approval of the proposed dividend for the year 1939.

43. Approval of the proposed dividend for the year 1938.

44. Approval of the proposed dividend for the year 1937.

45. Approval of the proposed dividend for the year 1936.

46. Approval of the proposed dividend for the year 1935.

47. Approval of the proposed dividend for the year 1934.

48. Approval of the proposed dividend for the year 1933.

49. Approval of the proposed dividend for the year 1932.

50. Approval of the proposed dividend for the year 1931.

51. Approval of the proposed dividend for the year 1930.

52. Approval of the proposed dividend for the year 1929.

53. Approval of the proposed dividend for the year 1928.

BIDS AND DEALS

Bury & Masco agrees £6.6m. Scapa offer

Scapa Group has made an agreed take-over bid worth £6.6m. for Bury and Masco (Holdings), a manufacturer of woollen pressed felts and non-woven industrial fabrics.

The offer, which is being made by Bury and Masco, is equivalent to 101p a share - having been irrevocably accepted by holders of 18.3 per cent of the B and M capital.

These holdings represent mainly the interests of the Thromorton Trust, which is the parent of B and M (with around 11 per cent of the equity) have also announced their intention to accept.

Bury and Masco shares jumped by 17p to 97p on news of the offer, while Scapa lost 41p to 94p.

The bid is accompanied by a forecast that profits for Scapa for the full year ending March 31, 1978, will be only £2.5m. against £7.5m. in 1976-77. The news comes after an interim statement in December, which showed half-time profits to be ahead from £3.1m. to £3.4m. and in which the Board said that it saw no reason why the normal pattern of higher earnings in the second half should not recur this year.

The setback is blamed on the strength of sterling which has had an adverse effect on overseas earnings. The Board, which estimates that the movement in exchange rates will have adversely affected profits by over £1m. still expects to pay a dividend of 3p a share.

Meanwhile, the directors of Bury and Masco have said that the profit before tax and extraordinary items for 1977 was around £1.2m. against the previous year's £874,000. Shareholders, who would have received "the maximum permissible" final dividend of 10p, will receive a second interim dividend if the bid goes through.

The move is seen by Scapa, which manufactures paper and board, machine clothing and also industrial textile fabrics, as one which will enable the enlarged group to offer a more comprehensive range of industrial textiles in world markets. The business of Bury and Masco will be main-

tened and developed under its present management. Lazard Brothers has acted for Scapa and Bury and Masco has been advised by Schroder Wagg.

Cavenham takes over Alliance Property

In an £18.5m. deal, Sir James Galloway's Cavenham Group has taken over Alliance Securities' main property holding subsidiary, Alliance Property Holdings.

Property, which is itself a subsidiary of Sir James' Generale Occidentale group, announced last September that it planned to substantially reduce its property holdings and to invest in a wider range of securities.

Cavenham is paying Alliance £18.5m. for the property company. But Alliance also receives £1.15m. dividend from Alliance immediately before the transfer. The £18.5m. cash will be used to further Argyle's diversification programme.

Cavenham's price represents 90 per cent of Alliance's net assets on the basis of a directors' valuation of Alliance's properties in December 1977. The properties will be determined following an auditor's report on the subsidiary last accounts.

Any surplus over this value realised on the sale of the properties next five years will be apportioned between the companies on the basis of 23 per cent for Cavenham and 77 per cent for Alliance.

Cavenham already has substantial property interests through its retail trading operations. Alliance will be integrated into the Cavenham property side, which plans a retail trading programme over the next five years.

BLAKEY'S FORECAST Given that Centraway already owns a third of Blakey's Malleable Castings, the latter is putting up a spirited defence against the bid. The directors are forecasting a 55 per cent increase in the profits to next March of £265,000 compared with £171,000. They are also proposing a jump in the final

dividend to 2.80p net which will mean a 80.4 per cent increase in the total dividend for the year. On the asset front, as a result of a property revaluation and including the profit forecast, net assets per share at March 31 will be 58p, the directors say, against the offer from Centraway of 41p in cash.

Finally, the directors claim that the market price, 44p yesterday, has exceeded the bid price ever since the first week in February. This suggests, they say, that the offer is inadequate. Shareholders are advised to take no action.

HAMILBORNE BIDDER The 48p share cash bid for brick makers Hamiltonborne, was revealed yesterday as coming from a private company, Ferguson Securities, which intends to maintain the listing by placing all but 51 per cent of the shares.

According to an official statement, the offer has already been irrevocably accepted by the chairman, Mr. Dennis Barkway who controls 29.9 per cent of Hamiltonborne's private company, Ferguson, Finance and General Trust.

Ferguson is the Northern Irish holding company for the private interest of Sir Graham Ferguson, Lacey, Through a subsidiary, Birmingham and Midlands Counties Trust, Mr. Lacey owns just under 43 per cent of William Reed's carpet group. Only last Friday, BMCT disclosed that it had made a conditional offer to buy 73 per cent of a much troubled U.S. group, E. T. Barwick.

The offer for Hamiltonborne, has been declared as fair and reasonable by the company's advisers, Greene and Co., with the proviso that shareholders' attention should be drawn to the statement of Ferguson's intentions. Details will be included in the offer documents but at this stage Sir Graham Ferguson has said that he wants to keep control of only 51 per cent of the shares, so as to maintain the listing. Any acceptance above this level will be placed with outside shareholders.

Appleyard profit below target

Appleyard shareholders will be asked at an extraordinary meeting scheduled for March 16 to approve the reduction of an additional 25p in the dividend to 25p in order to accommodate the acquisition, which involves the issue to the vendors of 2,546,300 shares.

Appleyard has been advised by merchant bankers Hill Samuel.

SCHRODER SELLS AUSTRALIAN STAKE

A leading Singapore bank, Overseas Banking Corporation has acquired a 19 per cent stake in Schroder's Australian merchant banking subsidiary, Schroder, Darling and Co. Holdings.

The stake of 105,000 shares was acquired from the London parent for an undisclosed price. The Schroder group in March last year purchased this additional 15 per cent interest with the intention of offering it to an international institution.

Following this transaction, Schroder now holds 30 per cent of the shares in Schroder, Darling and Co. Holdings, the Bank of Nova Scotia and the Bank of New South Wales remaining at 25 per cent and 10 per cent respectively.

Schroder, Darling is believed to be Australia's biggest merchant bank with gross assets of about \$A130m. as at the middle of last year.

GRAHAM WOOD The offer by British Steel Corporation (U.K.) for Graham Wood Steel has become unconditional in all respects and will be completed by the end of the month.

Shareholders have approved a scrip issue and reorganisation of capital.

The Board of Wood has since received the necessary provisions to take effect. As a result the offer relates to 3,332,322 Ordinary and 3,332,322 Deferred shares (7.5 million shares) of Graham Wood units. Acceptances have

been received in respect of 2,865,177 (86.1 per cent) and it is intended to acquire the balance compulsorily.

LONDON SUMATRA DIVIDEND PROMISE

The Board of London Sumatra announces its intention to double its dividend to 4p net per share in the formal document rejecting McLeod Sipe's bid.

At the price of 110p, the dividend produces a gross yield of 3.6 per cent. Bearing in mind the capital gains tax liability of many holders if they accept the offer, the Board says reinvestment of the shares is a more attractive proposition.

The second main plank of the Board's rejection is its assertion that the offer values the Indonesian estates at only 53p per share, less than the single year's pre-tax and depreciation profit of £70 in 1976.

The rejection document is widely regarded as only "Part One" of London Sumatra's defence since it does not include the independent valuation of the important Indonesian estates. This is expected in the first half of next month and the Board of London Sumatra promises that the questions asked by McLeod Sipe in its offer will be answered at the same time.

The reaction of McLeod Sipe last night to London Sumatra's defence was quiet and whether the Board considers shareholders will be able to sell their holdings at more than 110p if the offer fails, McLeod Sipe has expressed regret at the lack of a profit estimate for 1977 which it considers must have been arrived at for the estimate of net current assets which does appear in the rejection.

However, it appeared last night that a profit estimate is in the course of preparation and might possibly appear along with the valuation of the Indonesian estates.

In yesterday's Financial Times it was stated that Sogomara holds 14 per cent of London Sumatra's shares. This was a printing error, the correct figure is 1.4 per cent.

NOTICE OF REDEMPTION

U.S. Rubber Uniroyal Holdings Société Anonyme

6142 Quarantenaire Building Fund Debentures due 1985

Notice is hereby given that, pursuant to the provisions of the Debenture dated as of April 1, 1976, providing for the redemption of the Debentures, there will be redeemed on or about April 1, 1976, the "Redemption Date", the principal amount of the 6142 Quarantenaire Building Fund Debentures due 1985, at the redemption price of 100% of the principal amount thereof plus accrued interest to the Redemption Date.

The serial numbers of the Debentures which have been selected for redemption (which bearing the prefix letter "N") are:

M-27	1374	2647	4463	5419	7528	10098	10753	12231	14516	15708	16626	17751	18671	19482
286	1419	2734	4509	5429	7547	10133	10781	12259	14545	15737	16655	17780	18699	19510
347	1464	2823	4537	5453	7571	10136	10832	12276	14562	15754	16672	17797	18716	19527
398	1519	2878	4592	5458	7626	10139	10835	12279	14565	15757	16675	17800	18719	19530
474	1574	2933	4647	5463	7681	10142	10838	12282	14568	15760	16678	17803	18722	19533
511	1629	2988	4702	5468	7736	10145	10841	12285	14571	15763	16681	17806	18725	19536
558	1684	3043	4757	5473	7791	10148	10844	12288	14574	15766	16684	17809	18728	19539
595	1739	3098	4812	5478	7846	10151	10847	12291	14577	15769	16687	17812	18731	19542
632	1794	3153	4867	5483	7901	10154	10850	12294	14580	15772	16690	17815	18734	19545
669	1849	3208	4922	5488	7956	10157	10853	12297	14583	15775	16693	17818	18737	19548
706	1904	3263	4977	5493	8011	10160	10856	12300	14586	15778	16696	17821	18740	19551
743	1959	3318	5032	5498	8066	10163	10859	12303	14589	15781	16699	17824	18743	19554
780	2014	3373	5087	5503	8121	10166	10862	12306	14592	15784	16702	17827	18746	19557
817	2069	3428	5142	5508	8176	10169	10865	12309	14595	15787	16705	17830	18749	19560
854	2124	3483	5197	5513	8231	10172	10868	12312	14598	15790	16708	17833	18752	19563
891	2179	3538	5252	5518	8286	10175	10871	12315	14601	15793	16711	17836	18755	19566
928	2234	3593	5307	5523	8341	10178	10874	12318	14604	15796	16714	17839	18758	19569
965	2289	3648	5362	5528	8396	10181	10877	12321	14607	15799	16717	17842	18761	19572
1002	2344	3703	5417	5533	8451	10184	10880	12324	14610	15802	16720	17845	18764	19575
1039	2399	3758	5472	5538	8506	10187	10883	12327	14613	15805	16723	17848	18767	19578
1076	2454	3813	5527	5543	8561	10190	10886	12330	14616	15808	16726	17851	18770	19581
1113	2509	3868	5582	5548	8616	10193	10889	12333	14619	15811	16729	17854	18773	19584
1150	2564	3923	5637	5553	8671	10196	10892	12336	14622	15814	16732	17857	18776	19587
1187	2619	3978	5692	5558	8726	10199	10895	12339	14625	15817	16735	17860	18779	19590
1224	2674	4033	5747	5563	8781	10202	10898	12342	14628	15820	16738	17863	18782	19593
1261	2729	4088	5802	5568	8836	10205	10901	12345	14631	15823	16741	17866	18785	19596
1298	2784	4143	5857	5573	8891	10208	10904	12348	14634	15826	16744	17869	18788	19599
1335	2839	4198	5912	5578	8946	10211	10907	12351	14637	15829	16747	17872	18791	19602
1372	2894	4253	5967	5583	9001	10214	10910	12354	14					

MINING NEWS

EZ Industries makes a half-year loss

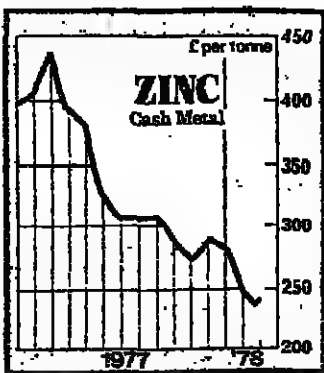
BY KENNETH MARSTON, MINING EDITOR

THE WEAKNESS of the zinc price has claimed another victim. Australia's leading producer of the metal, EZ Industries, has run into the red for what is believed to be the first time in 60 years with a pre-tax loss of \$43.75m. (£2.2m.) for the 28 weeks to January 11. No interim dividend is being paid.

The net result for the period after a transfer from the deferred tax provision and depreciation is a loss of \$4855,000. This compares with a profit of \$4638m. in the same period of 1976-77 when the year's profit advanced by nearly 70 per cent. to \$411.6m. The past year's dividend total was 11 cents.

Apart from the fall in the zinc producer price—down from \$587.50 per tonne in May last year to the current \$553.50 per tonne—EZ has been hit by rising costs, the appreciation of the Australian dollar against the U.S. dollar and is suffering from severely competitive world market conditions. The company has had to write down the value of its zinc stocks by \$45.14m. It comments that unless world production of the metal is reduced to match demand, the pressure on prices will continue. Meanwhile, EZ is implementing maximum cost savings to ensure that it maintains at least a modest level of operation.

While suffering from the depression in markets for its major product, EZ continues to look forward to a new future in uranium in its partnership with Feko-Wallend. Apart from their recently reported major uranium discovery in the



Northern Territory, the partners are awaiting official approval to start mining their big Ranger find in the same area.

They will have to overcome the current trades union objections to the mining and export of uranium, but union attitudes appear to be softening. It is generally thought that the Ranger deposit will be the first to be given a Governmental go-ahead.

Under an understanding reached in 1974, the Australian Government is expected to finance 72.5 per cent. of the cost of developing Ranger.

Despite the half-year loss, shares of EZ rose 5p to 135p in London yesterday in sympathy with a generally firm market among the Australian potential uranium producers.

SAMANCOR
Reflecting the general recession

in the world steel industry, profits have fallen sharply at SA Manganese (Amcor), the major South African producer of manganese ore and ferro-alloys, reports Richard Rolfe in Johannesburg.

For the year to December 31, pre-tax profits were down from R94m. to R61m. (£36.3m.), equivalent, after tax, to a fall from 180 cents to 132 cents in terms of earnings per share. The dividend has been held at 65 cents (38.7p) and the shares, quoted yesterday at 540 cents, yield 12 per cent. Samancor accounts for the bulk of South African manganese exports to Europe and will soon hold talks with customers on this year's price and volume contracts.

Dr. J. P. Kearney, the managing director, indicated optimism recently about an unchanged manganese price, but was less optimistic about the prospects for ferro-alloys.

CRA-Smith in CAIL talks

ACCORDING to Mr. Rus Nadigan, a director of Comair Kidzote of Australia, his company will need to discuss with the Howard Smith group whether the recent guidelines on foreign investment announced by the New South Wales Government will affect the companies' present intention to go ahead with a joint bid for Coal and Allied Industries (CAIL), London's Rio Tinto-Zinc owns 72.5 per cent. of CRA.

The Howard Smith-CRA bid was put into abeyance after Mr. Pat Hills, the NSW Mines and Energy Minister stated last October that at least 51 per cent. of CAIL's Warwick coal lease should go to the state electricity commission.

Mr. Hills reversed the decision a week ago with a statement that CAIL would be able to apply for mining leases over 400m. tonnes of coal at Warwick where it held exploration leases.

Howard Smith now holds 44.9 per cent. of CAIL's 22.45m. £41 shares, up from 38 per cent. announced last year. CRA holds 12.8 per cent., following purchases in the share market.

The bid price so far announced is \$33.00 per CAIL share, but CRA has said it proposes to issue shares for its portion of the bid, if it goes ahead.

BENGUET RAISES NEW \$46M. LOAN

The Bank of America and a group of ten international banks are to lend Benguet Consolidated \$46m. (£23.9m.) for the development of its open-pit copper and gold mine at Dion in the Philippines. It was announced yesterday.

The funds will be used to complete construction of the mine and build a concentrator. Benguet won the Bank of America's approval in principle for the loan last summer.

This loan is part of a wider package of financing for Dion. Towards the end of last year the Federal Export Development Corporation of Canada agreed to advance \$42.5m. for the purchase of machinery.

Benguet is the largest gold producer in the Philippines and its new mine is scheduled to start commercial production in the last quarter of 1979.

JFB REDEEMS LOAN STOCK
JFB Investments is to redeem at par on May 31, 1978 the whole of the outstanding £47,367 of 7 per cent. 1966 loan stock 1978 1980.

Alcan (U.K.) chairman buys into loan stock

MR. JOHN ELTON, chairman of Alcan Aluminium (U.K.), has substantially increased his holding in the company's 9 per cent. Convertible Loan Stock, ahead of the expected heavy conversion in May this year and the possible consequent listing of its Ordinary shares.

Accounts of Alcan released yesterday show Mr. Elton's holding increased in 1977 from £12,000 of stock to £25,000, and that by January 24 he had purchased a further £7,000. In 1976 he sold £1,333 of stock.

The May conversion period is expected to result in a high number of conversions following Alcan's 9.9p net per £1 share dividend for 1977—its first—which is equal to 15 per cent. gross. Conversion of stock would lift the gross income on funds invested from 9 per cent. to 15 per cent.

After announcing the dividend on January 16 the price of the convertible rose 25p to £1.25, giving an effective converted share price of 139p.

Mr. Elton would not have paid this amount for the £13,000 of stock bought in 1977 as the price fluctuated between £1.70 and £1.92. So far in 1978 the price has varied from £1.44 before the dividend announcement to £1.47, and closed yesterday steady at £1.51.

Alcan expects to maintain the dividend rate this year, and the next payment will be an interim dividend to be announced with the half-year results in August.

Alcan has gained permission in principle from the Stock Exchange for listing of the Ordinary shares, provided at least 5 per cent. of shares are in the hands of 250 holders.

The Treasury has confirmed that if Alcan gains listing following the conversion it will qualify as a newly listed company, which would leave it with two years of unrestricted dividend growth.

At December 31 there was £3,348,000 of the original £12m. loan stock on issue in public hands, which if fully converted would leave 20 per cent. of Alcan

Aluminium (U.K.) in British hands.

Conversions in recent years, without the extra income benefit, have been small with £3,465 in 1977 and £10,733 in 1976. In 1975, after assuming certain debts of Alcan (U.K.), the parent Alcan Aluminium of Canada converted its holding into 5,164,723 Ordinary shares.

In 1977 the parent bought £500,000 of stock, following its 1976 purchase of £1.04m.

The company is fulfilling a 1980 loan stock prospectus pledge to "use its best endeavours to obtain no listing for the Ordinary shares."

In 1977 Alcan (U.K.) profits were up from £9.97m. to £24.68m. Directors say the current year has begun with domestic demand weak and consumer stocks still 100 high. The forecast outlook for growth in world markets is uncertain, and while the U.K. should see a consumer lead upturn in the second half of 1978 the slow world growth and strong pound will inhibit export growth.

In order to maintain profitability in 1977 it will be essential that 1978 shows a volume upturn on the levels of the second half of 1977.

Mr. Elton says that its modern and efficient smelter, completed before the excessive cost inflation of the mid 1970s, provides a base on which future profitability of the company can be built.

Capital spending in 1978 is expected to top £24m. and planned investment over the next few years will be directed towards modernising semi-fabricating operations and improving overall competitiveness of downstream operations.

A current cost statement included with accounts shows a £9.7m. profit against an £8.1m. loss in the previous year, after additional depreciation of £12.8m. (£10.6m.), a cost of sales adjustment of £7m. (£13m.) and a gear-box adjustment of £4.8m. (£3.6m.).

Other adjustments—mainly for profits on the sale of fixed assets now deleted—of £9.5m. (£10.1m.) are made.

Braime hits peak with £321,039

DEEP DRAWN press work specialists, T. F. and J. H. Braime (Holdings) lifted pre-tax profits from £267,709 to a record £321,039 in 1977 after £191,711, against £138,956, for the first six months.

With tax taking £168,376 compared with £135,666, full year earnings are shown to be ahead from 8.44p to 10p per 25p share and the dividend is effectively raised from 2.9751p to 3.3275p net, with a final of 3.3275p.

Winding-up orders

Orders for the compulsory winding up of 30 companies have been made by Mr. Justice Slade in the High Court. They were—Shop Sales Services, Leamington, Reprographic Exports (Euromat), Electrical Services (Brixton), Accellant, Bruffen Property Trading Company, D. W. Croft, Chemical Services, Mr. Peggs's.

Putell, Soles Inn, Standex, D. W. Haslam (Installations), Interelose Properties, Oakstream, M.C. Plastering, Zampet.

Seven Oak Finance, Alanglade, Western Road Garage (Tuxford), Sealvale Securities, Latstar, Ferris Investments, Carolock.

Tokenbridge, C. G. Crocker, Trimpex, Yates (Polato Merchants), Leisure Products (International) and YHAP Trading Company.

MANCHESTER SHIP CANAL COMPANY

1977 RESULTS

	1977 £(000)	1976 £(000)
Profit	2,120	4,031
Taxation	1,054	1,931
Set aside for loan capital redemption	59	61
Dividends	729	664
Retained	278	1,375
General reserve at December 31	10,224	9,946
Earnings per ordinary share	24.6p	52.2p

Final ordinary dividend 9.064%, making 15.544% for the year (1976 ordinary dividend 13.934%). Dividend adjustment of 0.115% for 1976 paid with the interim dividend on October 10. Final dividend payable April 10 to shareholders registered on March 10. Preference dividend 3.5% already paid.

Points from the statement of the Chairman Mr. D. K. Redford

- ★ petroleum traffic down reflecting lower oil industry activity generally but other traffic reasonably steady
- ★ heavier expenditure on dredging
- ★ further container terminal developments

A copy of the report and accounts may be obtained from the Secretary of the Company at Ship Canal House, King Street, Manchester, M2 4WQ.

New Caledonia nickel deal signed by Amax

THE U.S. mining house, Amax, has signed an agreement with the Bureau de Recherches Géologiques et Minières (BRGM), a French Government agency, to develop an extensive garnierite nickel deposits in the north of New Caledonia, a French dependency in the Pacific.

But an announcement from Amax yesterday makes it clear that the project, which could cost more than \$300m. (£155.7m.), is still at a very early stage, and suggests that the final equity in the venture has not been settled.

No timing for the development of the project has been established, but the lengthy processes involved in working up to production would tend to make the present depression on the international nickel market irrelevant to the project's future.

Mr. Pierre Goussier, the Amax chairman, stressed yesterday that the long-term nickel outlook was good and that the current over-supply situation will come into balance with demand after 1980.

The Amax-BRGM agreement provides for the conduct of feasibility studies and, later on, mine construction and operation. The work will be carried out by Cofremmi, which is presently 50 per cent. owned by BRGM.

BRGM bought its dominant stake in Cofremmi in 1976 from Patino, the Dutch metals group, which retains a residual 10 per

cent. As part of the purchase BRGM undertook to develop the New Caledonian deposits, giving Patino royalties, profits and share of output.

Under the new arrangement, split out by Amax, 90 per cent. of the Cofremmi capital (the current BRGM stake) will be held by a new French company, in which the BRGM shareholding will be 5 per cent. and that of Amax 49 per cent.

On this basis 40 per cent. of the new company's capital remains to be settled, suggesting that another partner will be sought for the project. Given the scale of the enterprise this is not surprising.

The reserves in question amount to 50m. tonnes, grading 2.5 per cent. nickel. At the time of the Patino-BRGM agreement annual production of 20,000-40,000 tonnes of nickel contained in ferro-nickel was envisaged.

The definite involvement of Amax in the project brings to an end discussions going back several years and represents a further effort by the French Government to exploit natural resources under its control.

Last year the Government signed an agreement with Inco of Canada, the industry leader, to study the possibility of exploiting intertidal nickel deposits in the south of New Caledonia.

In London yesterday, Amax shares were higher at £24. Patino rose 1 to £19.

The busy man's builder

Bovis

Bovis Construction Limited
Telephone: 01-422 3485

JFB REDEEMS LOAN STOCK

JFB Investments is to redeem at par on May 31, 1978 the whole of the outstanding £47,367 of 7 per cent. 1966 loan stock 1978 1980.

This announcement appears as a matter of record only.

\$86,610,000

Leveraged Lease Financing of
the 165,000 dwt
S. S. Keystone CanyonGeneral Electric Credit Corporation
Bankers Trust Company

Owner Participants

Shipco 2296, Inc.
Demise Charterer

a subsidiary of

Keystone Shipping Co.

SPC Shipping Inc.
Time Charterer

a subsidiary of

The Standard Oil Company
(an Ohio corporation)

The undersigned acted as financial advisor to The Standard Oil Company and arranged for the placement of the original owner participation with General Electric Credit Corporation.

MORGAN STANLEY & CO.
Incorporated

February 28, 1978.

When you achieve worldwide growth in difficult economic conditions, that reflects strength.

From the Statement by the Chairman, Mr. P. T. Wright

- * Pre-tax profit increased by 39% over 1976.
- * During a period of high inflation, management at all levels of the Group have continued to improve our expense ratio.
- * The Group contributed £21million to the U.K. balance of payments.
- * Our worldwide strength, flexibility and professionalism will find us well placed for continuing growth.

Results in brief	1977	1976
Revenue	£61.2m	£52.7m
Profit before tax	£23.2m	£16.6m
Dividends	£2.9m	£2.6m
Earnings per share	29.0p	23.2p

For a copy of the 1977 Annual Review, please write to the Group Secretary at the address below.



Sedgwick Forbes

The world's most international insurance and reinsurance brokers.
Sedgwick Forbes House, 11 Aldgate High Street, London EC3N 1AJ

INTERNATIONAL FINANCIAL AND COMPANY NEWS

NORTH AMERICAN NEWS

District judge blocks Chrysler claim

DETROIT, Feb. 28.

A U.S. District Judge handed down a decision that could lead to the dismissal of a Federal Court suit by Chrysler Corporation against Fedders Corporation. The suit seeks damages of more than \$400m. in connection with the sale of Chrysler's Airtemp division to Fedders.

Judge James Churchill dismissed Chrysler's antitrust claim against Fedders, thus leaving the Federal Court without jurisdiction over the dispute. The judge gave Chrysler 30 days to restructure its claim in an attempt to regain standing.

In Edison, New Jersey, Fedders' chairman and chief executive officer, Mr. Salvatore Giordano, said he was gratified that Chrysler's antitrust claims were found to be without merit. But he said "it should be noted" that other claims of both Fedders and Chrysler are still pending.

Chrysler confirmed that "unless further steps are taken in 20 days the action will be dismissed." The action will be dismissed, taking further steps. The company declined to comment further.

Chrysler said it also has a suit pending in a New York State Court against Fedders seeking \$30m. in damages related to the Airtemp sale. Chrysler said it does not yet know what effect Judge Churchill's decision might have on the State action.

The Federal Court suit, filed last November, charged that Fedders refused to make all the payments to Chrysler called for under the agreement. Fedders purchased in 1976 almost all the assets of the ailing Airtemp division, which made non-automotive air-conditioning systems, for cash, stock and notes, valued at nearly \$80m.

Chrysler's suit also charges that Fedders violated Federal antitrust laws by closing many of Airtemp's operations and forcing others out of business, thus lessening competition in the air-conditioning industry.

At the time the suit was filed, Fedders called the charges "groundless and without merit."

Heavier losses and no dividend from AKZO

BY CHARLES BACHELOR

AMSTERDAM, Feb. 28.

AKZO, the Dutch-based chemicals company, reported a loss of Fls. 167m. for 1977 against Fls. 152m. in 1976. The net result in the fourth quarter was a loss of Fls. 44m. in 1977.

Extraordinary items are excluded. The net result in the fourth quarter was a loss of Fls. 44m. compared with a profit of Fls. 6m. the year before. In view of this result the board proposes passing the 1977 final dividend of Fls. 1.20 per share, instead of Fls. 1.20 per share, instead of Fls. 1.20 per share, instead of Fls. 1.20 per share.

The company continued to make substantial losses on its man-made fibre activities in the fourth quarter of 1977 due to low sales volume and unduly low prices for textile materials and staple fibres.

Earnings in other product groups were insufficient to offset these losses partly because the chemical products sector also faced a low level of shipments and poor prices.

The 1977 result takes into account the capitalisation of Fls. 21m. as preparation and starting

expenses for major projects. Net income figures per quarter before extraordinary losses, show that although the company made a loss the fourth quarter result was lower than in the third quarter. The net results in the four quarters were Fls. 12m. profit, a Fls. 3m. loss, a Fls. 49m. loss and a Fls. 15m. loss respectively.

Exchange losses also hit deeply into Akzo's result. Losses on borrowings of foreign currencies reduced 1977 earnings by about Fls. 40m. compared with a loss of only Fls. 5m. in 1976. Extraordinary losses amounted to Fls. 112m. compared with Fls. 159m. the year before.

The principal losses were due to the shut-down of the Ferinka steel cord plant in the Irish Republic and the flooding of Akzo's plant at Enka, North Carolina.

A further Fls. 65m. was paid into reserves, which together with transfers in 1976 brought total provisions for extraordinary losses to Fls. 140m. These losses are expected to arise from reduction in man-made fibre production capacity in Europe and from cuts in overheads. It will also cover additional write-downs of property, plant and equipment in unprofitable sectors.

Group turnover fell 3 per cent. to Fls. 10.41bn. due to the lower rates of exchange for the translation of sales by foreign companies into guilder, and to the transfer of activities to third parties. Without these factors sales would have shown a slight increase on the Fls. 10.75bn. in 1976.

Sales of man-made fibres in the fourth quarter were adversely affected by the shut-down of the Ferinka plant. Sales of man-made fibres fell to Fls. 3.55bn. in 1977 from Fls. 3.5bn. in 1976.

The pharmaceuticals, consumer products and miscellaneous products division also recorded a decline to Fls. 2.94bn. from Fls. 3.22bn. Chemical product sales rose however to Fls. 3.99bn. from Fls. 3.73bn.

Akzo's workforce continued to fall sharply throughout the year. It stood at 83,800 at the end of 1977 compared with 91,100 a year earlier. Of this decline 1,500 were due to the sale of the company's paper interests, 1,400 to the closure of Ferinka, 2,900 from the re-organisation at Enka, and 1,700 from reductions at other companies.

EUROBONDS
Fresh DM gains lead to coupon cutting

By Francis Ghille

THE DEUTSCHEMARK bond of the market had another day yesterday. The DM180 million convertible for 98 in March was quoted at 100.401, first after market trading.

The DM150m. bond for Mexican Comision Federal Electricidad has a ten per cent maturity and an indicated coupon of 64 per cent. The German domestic bond market opened weaker in early reaction to measures taken in Switzerland, but recovered later in the day. Fears of further controls being applied by the authorities prompted the early fall.

The dollar sector was strong yesterday but trading remained thin.

In the sterling sector the Italian State telephone communications company STET, launching a \$50m. floating note through its Luxembourg holding company, Societe Financiere pour les Telecommunications de l'Electronique, interest rate is expected to be 3 per cent. over the interbank rate with a minimum of 8 1/2 per cent. Manager is Kreditbank Luxembourg.

Panama will float a \$35m. 94 year bond in the Asian dollar market early this month. Indicated coupon is 94 per cent. lead manager is Nomura Securities.

SNCF, the French State railway company, will float a \$200m. 12-year bond on the Japanese capital market through a group of banks led by Nikko Securities. Indicated coupon 84 per cent. It will be placed in Argentina in expected to land a \$15bn. issue in Tokyo by April. Terms are as yet unknown.

Gloucester Eng. acceptance

BY ADRIAN DICKS

BONN, Feb. 28.

G U T EHOFFNUNGSHUETTE, the West German engineering and plant construction group, has strengthened its foothold in the U.S. plastics processing machinery market. Battenfeld Maschinenfabrik, a subsidiary of GUT's 51 per cent owned Schloemann-Siemag, has announced acceptance by the shareholders of Gloucester Engineering of its takeover offer for the company, worth approximately \$15m.

According to a statement from Battenfeld today, the new group will have a turnover of over DM200m. and a world-wide workforce of about 2,000. With the product ranges of the two companies combined, it will be able to offer, in the management's view, a complete range of plastic-making and fabricating equipment, including turnkey projects for the construction of entire factories.

Battenfeld's product range at present includes injection moulding, vessel forming and polyurethane foam-producing machines, as well as plastics pipe extrusion equipment. One of its principal reasons for the takeover is its interest in building some of these traditional lines, and especially injection moulding machines, in the U.S.

Gloucester Engineering, whose own interests include a manufacturing and sales subsidiary in Britain, Glenco, is a leading supplier to the U.S. market of extrusion machinery and plastics fabricating equipment.

Cook still negotiating disposals

MEMPHIS, Feb. 27.

FOLLOWING the announcement by Pillsbury Company of the termination of negotiations with Cook Industries regarding the purchase for an estimated \$50m. of substantial part of Cook's grain merchandising assets, Cook has said that it is in negotiations with other companies.

Two New York-based companies, among the six largest grain exporters in the U.S., are reported as having a potential interest in buying the Cook grain elevators.

Sources within Cook and the export industry speculate that the company may be on the verge of getting a higher offer than that proposed in the Pillsbury deal.

They also predict that Pillsbury may reconsider making a higher offer, and said they would be extremely surprised if Cook retained the grain holdings.

Agencies

Dana-Floquet
Dana Corporation is "exploring the possibility of acquiring a majority interest in Societe Floquet Monopole, a French auto-parts maker, reports AP-DJ from Toledo, Dana, which already owns 44.7 per cent. of the French concern, declined to elaborate. The Paris Stock Exchange Association suspended trading in Floquet shares "pending a financial operation." Floquet's other principal shareholders are the French State-controlled Industrial Development Institute, with about 18 per cent, and Societe de Banque et de Credit, a unit of Credit Lyonnais, with 10.5 per cent.

Hertz-Nippon deal
Hertz Corporation, the nation's largest car rental company and a unit of RCA Corporation, told AP-DJ Jones that an association has been arranged with Nippon Rent-A-Car, Japan's largest car rental company. Under the pending arrangement, reservations and billings would be exchanged when customers travel abroad.

Mr. Frank A. Olson, president and chief executive of Hertz, also said that he predicts "a strong first half" for Hertz in 1978. Under the profit, revenue and rental volume. Last year, net income increased from \$42.5m. on revenue of \$780.5m. to a record \$60m. on revenue of \$837.4m.

Petrobras earns more
RIO DE JANEIRO, Feb. 28. THE BRAZILIAN state-controlled oil company, Petrobras, reported a record profit for 1977 of 15.28bn. Cruzeiros (\$0.5m.). Net profit for 1976 was 10.07bn. Cruzeiros. Gross sales rose from 109.10bn. Cruzeiros to 163.02bn. Cruzeiros (\$5.2m.).

Petrobras said its investments in 1977 rose to 31.51bn. Cruzeiros against 19.39bn. Cruzeiros the previous year.

AMERICAN QUARTERLIES
CHICAGO PNEUMATIC TOOL
Fourth Quarter 1977 1976
Revenue 24.6m. 22.9m.
Net profits 3.09m. 2.29m.
Net per share 0.56 0.42

FOSTER WHEELER
Fourth Quarter 1977 1976
Revenue 302.0m. 271.9m.
Net profits 7.19m. 3.44m.
Net per share 1.31 1.54

HARNISCHFEGGER
First Quarter 1978 1977
Revenue 120.48m. 118.28m.
Net profits 4.85m. 6.12m.
Net per share 0.55 0.70

IU INTERNATIONAL
Fourth Quarter 1977 1976
Revenue 603.9m. 535.9m.
Net profits 14.68m. 11.32m.
Net per share 0.39 0.31

Revenue 2.28bn. 1.96bn.
Net profits 59.24m. 42.44m.
Net per share 1.06 1.18

NATIONAL CAN CORP.
Year 1977 1976
Revenue 975.1m. 861.3m.
Net profits 13.6m. 20.7m.
Net per share 1.15 2.32

WARNER-LAMBERT CO.
Fourth Quarter 1977 1976
Revenue 69.4m. 61.8m.
Net profits 36.3m. 30.0m.
Net per share 0.45 0.26

Year 1977 1976
Revenue 254m. 235m.
Net profits 187.6m. 158.7m.
Net per share 2.36 2.00

Brave words at Mannesmann

BY ADRIAN DICKS

BONN, Feb. 28.

MANNESMANN, the West German steel pipe, engineering and plant construction group, expressed itself today as "confident yet not optimistic" over prospects for business this year. In a letter to shareholders giving preliminary results for 1977, the Chairman, Herr Eggen Overbeck, left no doubt that the main uncertainty hanging over the concern in 1978 is the further damage that may be done to its export competitiveness by the turbulence of the foreign exchange markets.

Although Herr Overbeck gave an assurance that employment in most Mannesmann companies and plants could be guaranteed for the next few months, he stressed that the hesitant recovery in the pipe market needed to gain strength, while the pick-up of investment activity in recent months had so far led to only modest growth in the mechanical engineering market.

Confirming statements of its development over the past few months, the Mannesmann Board made clear today that it was relatively satisfied to have survived 1977 without suffering worse than it has done. As already announced, the company expects final results for last year to show a reduced profit from 1976, but the dividend to shareholders neither indicated the expected profit figure nor made any comment on the size of the 1977 dividend proposal.

Mannesmann had held its own last year, Herr Overbeck said, thanks to its more widely spread risk pattern, which in turn resulted from its new group structure. While the pipe-making and associated pipe-and-steel-trading activities of the group had suffered a bad year, the two principal engineering companies, Demag and Rexroth, as well as the plant construction subsidiary, Mannesmann Anlagenbau, had achieved considerably more positive results.

Nonetheless, group sales were down by about 1 per cent. to DM11.6bn., with virtually no change for domestic subsidiaries but a 4 per cent. drop in turnover for foreign subsidiaries. The latter development was due, shareholders were told, to a long strike in the company's Turkish welded pipe plant and to the cessation of some pipe sales in Canada to Algoma Steel.

Despite the Mannesmann Board's hesitancy over this year's export prospects, West German domestic companies' exports in 1977 were up by 5 per cent. to DM5.8bn., and their share of total sales rose in consequence from 58 to 59 per cent.

Detailed figures on the current order book were not given, but the Board reported that after very sluggish movement during most of last year, the picture improved at the end of 1977, thanks largely to the follow-up order from the Soviet Union for large-diameter pipe produced at the new Muelheim works.

Profit rise at Libra Bank

By Michael Brandon

LIBRA BANK, the London-based consortium banking group specialising in Latin America, reports a further increase in profits for the past year.

The bank's pre-tax profit rose from \$4.6m. to \$5.1m. and a 6 per cent. dividend totalling \$780,000 is being paid to shareholders.

The managing director, Mr. Thomas Gaffney, reported: "The syndication of large credits continues to be the main business of the bank but other specialised financial services are gradually assuming more importance and are likely to contribute significantly to profits in the future."

The bank has benefited from the relatively high level of margins on loans to Latin America during the past year, at a time when they were under pressure in other areas of the world. Mr. Gaffney expects, however, that competition will increase in the coming year.

The bank's total assets rose from £274m. to £307m., and it reports that a sound liquidity position was maintained while the average life of the loan portfolio was further shortened to just over two years.

Libra's shareholders are National Westminster Bank, Chase Manhattan Bank, Citicorp, Swiss Bank Corporation, Westdeutsche Landesbank, Mitsubishi Bank, Bancomer (Mexico), Banco Itaú (Brazil), Credito Italiano and Banco Espirito Santo e Commercial de Lisboa.

Arbed stake in MMRA

BY DAVID BUCHAN

BRUSSELS, Feb. 28.

ARBED, THE Luxembourg steel company, is to take the largest single stake, 25 per cent., in the reconstructed Metallurgie de Rodange Athus (MMRA).

Following complex negotiations since last summer involving both the Belgian and Luxembourg governments, which will each have a stake in the new company, MMRA is to restart with a capital of Lux.Fr.1,275bn. Some Lux.Fr. 900m. will be paid up in cash, with the rest being debt converted into equity.

Of the shares, 20 per cent. will be held by the former shareholders, the Belgian steel companies, Cockerill and Financiere du Ruau, 7.5 per cent. by the Belgian state holding SBL, and 12.5 per cent. each by the new Luxembourg state holding company SNCL and by Luxembourg banks, and by the Compagnie Bruzelles Lambert.

The predominance of Luxembourg shareholders, public and private, reflects the fact that it was the Belgian part of MMRA at Athus that dragged the company into near bankruptcy last summer, and that the Athus operation is now to be virtually closed.

The plants at Rodange just inside Luxembourg will form the nucleus of the new company. But they will be closely meshed in with Arbed's large operations in the Grand Duchy. The Rodange blast furnaces and steel working shops will be closed down, and the main future function of MMRA will be to roll Arbed steel.

Arbed executives say that in the short term this step, which has received the very active encouragement of the EEC steel commissioner, Jacques Delors, may prove a further depressant on its currently sorry financial performance.

Ethyl forecasts 1978 earnings rise

ETHYL CORPORATION expects earnings for the first quarter ending March 31 to be about even with those of last year's relatively strong first period, Floyd D. Gottwald Jun., chairman and chief executive, told AP-Dow Jones.

In the first quarter of 1977, the diversified chemicals, plastics, aluminium and coal concerns had net income of \$17.6m., or 93 cents a share on sales of \$394.1m.

This year's first quarter results are suffering from adverse weather conditions and the coal strike, while in the year-ago period shipments of lead anti-knock compounds—Ethyl's largest single product—were strong in anticipation of a planned price increase. In addition, last year's first quarter results were helped by a \$1.7m. capital gain.

For all of 1978, Mr. Gottwald said the company's budget calls for an earnings increase "in the 7 per cent. to 8 per cent. area."

In 1977, the company had net income of \$78m., or \$1.29 a share, up 13 per cent. from 1976's net of \$69.1m. Sales were \$1.23bn., up 13 per cent. from \$1.14bn. in 1976.

Mr. Gottwald indicated that an important reason for the slower earnings growth projected for this year is a decline in the contribution of lead anti-knock compounds. Last year, the said anti-knock contributed about 28 per cent. of the company's sales.

ETHYL CORPORATION expects earnings for the first quarter ending March 31 to be about even with those of last year's relatively strong first period, Floyd D. Gottwald Jun., chairman and chief executive, told AP-Dow Jones.

In the first quarter of 1977, the diversified chemicals, plastics, aluminium and coal concerns had net income of \$17.6m., or 93 cents a share on sales of \$394.1m.

This year's first quarter results are suffering from adverse weather conditions and the coal strike, while in the year-ago period shipments of lead anti-knock compounds—Ethyl's largest single product—were strong in anticipation of a planned price increase. In addition, last year's first quarter results were helped by a \$1.7m. capital gain.

For all of 1978, Mr. Gottwald said the company's budget calls for an earnings increase "in the 7 per cent. to 8 per cent. area."

In 1977, the company had net income of \$78m., or \$1.29 a share, up 13 per cent. from 1976's net of \$69.1m. Sales were \$1.23bn., up 13 per cent. from \$1.14bn. in 1976.

Mr. Gottwald indicated that an important reason for the slower earnings growth projected for this year is a decline in the contribution of lead anti-knock compounds. Last year, the said anti-knock contributed about 28 per cent. of the company's sales.

Increase at American Broadcasting

Financial Times Reporter

DESPITE a slight tightening of margins in the final quarter, American Broadcasting (ABC) ended 1977 with an increase in net earnings of 53 per cent. to \$109.8m. Earnings per share moved up from \$4.05 to \$6.04. At \$1.6bn., sales showed a 20 per cent. rise.

The fourth quarter brought earnings of \$34.5m., an increase of 48 per cent., and \$1.81 a share against \$1.36 on sales 25 per cent. higher at \$499.8m.

At the nine-month stage, earnings showed a 58 per cent. rise and sales an increase of 17 per cent. Mr. L. Goldenson, the company chairman, and Mr. Elton H. Rule, the president, commented at that stage that earnings of \$6 a share for 1977 were "achievable."

The executives attributed the success of the third quarter to the company's broadcasting operations which remained the principal contributors to the gains in earnings.

Weather hits Westvaco

NEW YORK, Feb. 28.

WESTVACO CORPORATION reported that in the first quarter ended January 31, net income dropped to \$10.1m., or 60 cents a share from \$11.9m., or 70 cents a year earlier.

Sales rose to a record \$257m. from \$223m. a year ago.

Mr. David Luke, the president, told the annual meeting that Westvaco lost "about \$10m. in sales during the latter part of January and that weather conditions penalised earnings by about 12 cents a share in January alone."

The severe winter weather affected operations over a wide area, curtailing production, impeding incoming and outgoing shipments and obstructing product deliveries to customers.

Continuation of storm conditions into February "probably will have a somewhat comparable impact on earnings for that month which may be reflected to some extent in second quarter results," he added.

However, "some very encouraging trends had developed during the first quarter" and he remained optimistic for the year as a whole.

He cited growing levels of demand for many of the company's products at a time when normally they would have been declining, and order backlogs that are considerably higher than they were a year ago.

He said that selective price increases have been implemented which will enable the company to offset some of the steadily rising costs of raw materials, labour and transportation.

W. T. Grant agrees claims

Charles G. Rodman, trustee for the estate of the bankrupt W. T. Grant Co., has entered into an agreement with 26 bank creditors of Grant for settlement of their claims, Reuter reports from New York.

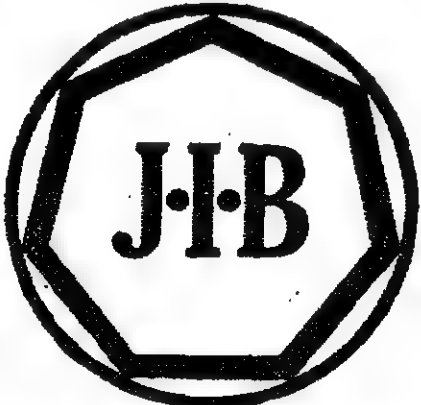
Under the terms of the proposed plan, which is subject to bankruptcy court approval, a fund of \$35m. will be reserved for distribution to certain general creditors — mainly merchandise vendors, suppliers of services, lessors and employees whose claims are not entitled to priority under the bankruptcy act.

Upon approval, the trustee said he will make a first distribution to the bank creditors aggregating \$161m. and release any claims to the approximate \$4.7m. at present held by Morgan Guaranty Trust of New York as agent bank.

W. T. Grant, the one-time retail giant of the U.S., filed for bankruptcy in October 1975.

Textron dividend up

Textron Incorporated has increased the quarterly dividend to 40 cents from 35 cents, payable on April 1, to shareholders of record on March 15, reports Reuter from Providence, Rhode



Extract from Accounts at 31st December, 1977

	1977	1976
£000	£000	
Issued Capital	10,800	10,800
Retained Profits	3,350	2,462
Subordinated Loans	5,249	5,872
Deposits	354,289	352,480
Loans	191,800	216,665
Total Assets	381,154	379,319
Profits before Taxation	3,048	2,988
after Taxation	1,428	1,388

Japan International Bank Limited

Shareholders

Fuji Bank Daiwa Securities
Mitsubishi Bank Nikko Securities
Sumitomo Bank Yamaichi Securities
Tokai Bank

7/8 King Street, London EC2V 8DX

AMERICAN QUARTERLIES

CHICAGO PNEUMATIC TOOL

Fourth Quarter	1977	1976
Revenue	24.6m.	22.9m.
Net profits	3.09m.	2.29m.
Net per share	0.56	0.42

FOSTER WHEELER

Fourth Quarter	1977	1976
Revenue	302.0m.	271.9m.
Net profits	7.19m.	3.44m.
Net per share	1.31	1.54

HARNISCHFEGGER

First Quarter	1978	1977
Revenue	120.48m.	118.28m.
Net profits	4.85m.	6.12m.
Net per share	0.55	0.70

IU INTERNATIONAL

Fourth Quarter	1977	1976
Revenue	603.9m.	535.9m.
Net profits	14.68m.	11.32m.
Net per share	0.39	0.31

NATIONAL CAN CORP.

Year	1977	1976
Revenue	975.1m.	861.3m.
Net profits	13.6m.	20.7m.
Net per share	1.15	2.32

WARNER-LAMBERT CO.

Fourth Quarter	1977	1976
Revenue	69.4m.	61.8m.
Net profits	36.3m.	30.0m.
Net per share	0.45	0.26

Year

Year	1977	1976
Revenue	254m.	235m.
Net profits	187.6m.	158.7m.
Net per share	2.36	2.00

ENEL expects to float new loan

STATE ELECTRICITY UTILITY ENEL plans shortly to launch an £800m. seven year bond, subject to government approval. Reuter reports from Milan. The issue would carry a coupon of 12 per cent. and would be aimed at banks, who have to fulfill portfolio investment requirements by end-March. Reimbursement would start from the end of the fourth year.

Montefibre

UNIONS at Montefibre, SPA's Porto Marghera plant near Venice claim they will take over the plant and reduce production unless the company pays unpaid wages by the end of March, reports Reuter from Rome. The company has not paid its 12 per cent. and would be aimed at banks, who have to fulfill portfolio investment requirements by end-March. Reimbursement would start from the end of the fourth year.

Montefibre, the loss-making synthetic fibres subsidiary of Montedison SPA, is expected to be among companies to benefit from emergency aid of £300m. to cover wage payments. But details of how the funds will be shared out still have to be finalised—two months after the government originally proposed the measure.

LIBRA BANK LIMITED

EXTRACT FROM AUDITED ACCOUNTS

	Year ending 31st Dec. 77	Year ending 31st Dec. 76
SHARE CAPITAL AND RETAINED PROFITS	12,885,529	10,800,993
SUBORDINATED LOANS	2,817,860	2,979,993
DEPOSITS	259,480,057	236,333,468
CASH AT BANKS, MONEY AT CALL AND SHORT NOTICE, CD'S	56,006,316	57,776,036
LOANS—MATURING WITHIN ONE YEAR	77,261,587	81,082,942
LOANS—MATURING AFTER ONE YEAR	152,517,868	108,577,883
TOTAL ASSETS	306,872,227	273,854,228
PROFIT BEFORE TAXATION	5,104,538	4,149,974
PROFIT AFTER TAXATION	2,034,538	2,029,974

Shareholders

The Chase Manhattan Bank, N.A. The Royal Bank of Canada National Westminster Bank Limited
Swiss Bank Corporation Westdeutsche Landesbank Girozentrale
Bancomer S.A. Banco Itaú S.A. Credito Italiano S.p.A. Banco Espirito Santo e Commercial de Lisboa

1 London Wall, London EC2Y 5DN
London, Bogota, Buenos Aires, Mexico City, New York, Sao Paulo

INTERNATIONAL FINANCIAL AND COMPANY NEWS

SWISS INVESTMENT CURBS

Relieving the pressure

BY JOHN WICKS IN ZURICH

UNDAY'S announcement of a tie will be able to retain them but not to exchange them for other Swiss securities. Nevertheless, observers expect trading between foreign stockholders to continue on a "black market" basis. The Swiss authorities would like to see the market for Swiss securities closed yesterday down 1.89 to 1.82 per dollar—the narrow upward pressure has been relieved considerably.

Another immediate effect has been to depress the stock market. To-day share quotations slipped by up to 10 per cent. Secondary-market prices of Swiss franc foreign bonds by up to 5 per cent, and of domestic bonds by up to 1.25 per cent. The reaction would have been more severe if the Swiss Bankers' Association and individual bankers showed sympathy for the investment restrictions, however, in the light of the currency crisis.

The need for new steps to enter the sharp revaluation of the Swiss franc has grown rapidly over the past few months: one time last week the trade-weighted appreciation was double the level of December 1977. As a result the Swiss economy is being hit by serious difficulties arising from the monetary situation, the difference between the Swiss and the rest of the world is widening, and the Swiss franc is being revalued.

The wild upswing in the franc led the Swiss national bank and government to change its mind on the question of a possible ban on non-resident purchases of domestic securities—a policy which officials had for many months been saying was out of a question.

Apart from the need for more active measures to defuse the inflation rate, the move against foreigners' Swiss franc purchases would have been strictly led to non-residents holding the heavier negative interest liability altogether by a "bilateral" arrangement between the Swiss and foreign banks. Another by-product, which has not yet been decided, is the French elections, could have been a factor in the move to restrict foreign purchases of Swiss franc securities.

To-day, a number of further steps have been disclosed in the working of the measures. Non-resident foreigners holding Swiss securities

at the end of 1977 there were 153 listed in Zurich and 151 in Basel. The Swiss authorities expect trading between foreign stockholders to continue on a "black market" basis. The Swiss authorities would like to see the market for Swiss securities closed yesterday down 1.89 to 1.82 per dollar—the narrow upward pressure has been relieved considerably.

Foreign stockholders resident outside Switzerland will be able to benefit from rights issues corresponding to their existing holdings.

It has not yet been decided what proportion of Swiss franc bonds and private placements will be available to foreign investors as a concession disclosed on Monday by National Bank President Dr. Fritz Leutwiler. A similar concession will be available on Swiss franc debentures, bank loans to foreign banks, and loans to which non-Swiss banks have traditionally subscribed as sub-participants. It seems likely, however, that the authorities may be guided by the former ruling of 65 per cent for Swiss and 35 per cent for foreign investors.

Some think it may be 50/50 while there is and there is also speculation that the quota system will not be introduced for a matter of weeks.

Foreign companies' shares listed on Swiss Stock Exchanges

to benefit from rights issues corresponding to their existing holdings. It has not yet been decided what proportion of Swiss franc bonds and private placements will be available to foreign investors as a concession disclosed on Monday by National Bank President Dr. Fritz Leutwiler. A similar concession will be available on Swiss franc debentures, bank loans to foreign banks, and loans to which non-Swiss banks have traditionally subscribed as sub-participants. It seems likely, however, that the authorities may be guided by the former ruling of 65 per cent for Swiss and 35 per cent for foreign investors.

At the end of 1977 there were 153 listed in Zurich and 151 in Basel. The Swiss authorities expect trading between foreign stockholders to continue on a "black market" basis. The Swiss authorities would like to see the market for Swiss securities closed yesterday down 1.89 to 1.82 per dollar—the narrow upward pressure has been relieved considerably.

Foreign stockholders resident outside Switzerland will be able to benefit from rights issues corresponding to their existing holdings. It has not yet been decided what proportion of Swiss franc bonds and private placements will be available to foreign investors as a concession disclosed on Monday by National Bank President Dr. Fritz Leutwiler. A similar concession will be available on Swiss franc debentures, bank loans to foreign banks, and loans to which non-Swiss banks have traditionally subscribed as sub-participants. It seems likely, however, that the authorities may be guided by the former ruling of 65 per cent for Swiss and 35 per cent for foreign investors.

Some think it may be 50/50 while there is and there is also speculation that the quota system will not be introduced for a matter of weeks. Foreign companies' shares listed on Swiss Stock Exchanges to benefit from rights issues corresponding to their existing holdings.

Hongkong Bank earns more, steps up dividend

By Daniel Nelson

HONG KONG, Feb. 28. HONGKONG and Shanghai Banking Corporation has announced a 20 per cent rise in post-tax profit to HK\$222m. (\$US112m.) for the year to December 31, from HK\$185m. in 1976. The bank profit was also up 20 per cent to HK\$222.44m. A final dividend of 47 cents has been declared, against 44 cents, and there is to be a one-for-one scrip issue.

With the interim of 16 cents (16 cents), the total dividend is 63 cents. The directors warn that there was little improvement in world economic growth in 1977, with the continuing fear of inflation over-riding the desire to stimulate their economies, and that they expect these difficulties to persist into 1978 "in varying degrees". They add, however, that they expect profitability to be maintained at a level sufficient to recommend dividends at the same rate as in 1977—that is, 65 cents a share on the capital increased as proposed.

An amount of HK\$66m. will be transferred to reserves, and the final dividend will account for HK\$197.37m., leaving (after taking account of the interim) HK\$35.45m. to be added to undistributed profit. The total distribution for the year thus amounts to HK\$232.82m., 19 per cent more than the HK\$222.96m. in 1976. Earnings per share of HK\$1.02 compare with HK\$0.85 (as adjusted) the previous year.

West LB buys Hutchison stake in Asia

By Our Own Correspondent

HONG KONG, Feb. 28. HUTCHISON FINANCIAL has sold its 44.45 per cent stake in the Hong Kong-based merchant bank, Asian International Acceptances Capital (ASIA) for an undisclosed sum to West-Landesbank (West LB). Dr. Walter Sepp, vice chairman of the board of West LB and chairman of Asia, said that the German bank intended to develop Asia further, especially in the areas of lending and securities. The Board will be changed to reflect the new ownership, but Hutchison Whampoa chief executive, Mr. Bill Wylie will continue as Asia's deputy chairman.

The merchant bank was formed in 1972 by Hutchison and Slater Walker, and West LB became a participant in the venture in 1975, after Hutchison had taken total control.

Jardine Securities

JARDINE Securities reported an unaudited net post-tax profit of HK\$19.5m. (\$US4.2m.) for the six months to December 31, a 25 per cent increase over the equivalent period of the previous year. The interim dividend is 16 cents (12.6c), and the Board has raised its forecast of a total dividend of at least 45c to 47c, with a final of 31c. This would represent a 14.5 per cent increase over the previous year, adjusted for the one-for-one scrip issue made in October 1977. At the year's end, total net assets were HK\$732m. (\$US159m.), against HK\$605m. at June 30, 1977.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

STRAIGHTS	Offer	DM BONDS	Offer
Australia 4 1/2% 1980	94 1/2	Australia 4 1/2% 1980	94 1/2
Australia 4 1/2% 1981	94 1/2	Australia 4 1/2% 1981	94 1/2
Australia 4 1/2% 1982	94 1/2	Australia 4 1/2% 1982	94 1/2
Australia 4 1/2% 1983	94 1/2	Australia 4 1/2% 1983	94 1/2
Australia 4 1/2% 1984	94 1/2	Australia 4 1/2% 1984	94 1/2
Australia 4 1/2% 1985	94 1/2	Australia 4 1/2% 1985	94 1/2
Australia 4 1/2% 1986	94 1/2	Australia 4 1/2% 1986	94 1/2
Australia 4 1/2% 1987	94 1/2	Australia 4 1/2% 1987	94 1/2
Australia 4 1/2% 1988	94 1/2	Australia 4 1/2% 1988	94 1/2
Australia 4 1/2% 1989	94 1/2	Australia 4 1/2% 1989	94 1/2
Australia 4 1/2% 1990	94 1/2	Australia 4 1/2% 1990	94 1/2
Australia 4 1/2% 1991	94 1/2	Australia 4 1/2% 1991	94 1/2
Australia 4 1/2% 1992	94 1/2	Australia 4 1/2% 1992	94 1/2
Australia 4 1/2% 1993	94 1/2	Australia 4 1/2% 1993	94 1/2
Australia 4 1/2% 1994	94 1/2	Australia 4 1/2% 1994	94 1/2
Australia 4 1/2% 1995	94 1/2	Australia 4 1/2% 1995	94 1/2
Australia 4 1/2% 1996	94 1/2	Australia 4 1/2% 1996	94 1/2
Australia 4 1/2% 1997	94 1/2	Australia 4 1/2% 1997	94 1/2
Australia 4 1/2% 1998	94 1/2	Australia 4 1/2% 1998	94 1/2
Australia 4 1/2% 1999	94 1/2	Australia 4 1/2% 1999	94 1/2
Australia 4 1/2% 2000	94 1/2	Australia 4 1/2% 2000	94 1/2
Australia 4 1/2% 2001	94 1/2	Australia 4 1/2% 2001	94 1/2
Australia 4 1/2% 2002	94 1/2	Australia 4 1/2% 2002	94 1/2
Australia 4 1/2% 2003	94 1/2	Australia 4 1/2% 2003	94 1/2
Australia 4 1/2% 2004	94 1/2	Australia 4 1/2% 2004	94 1/2
Australia 4 1/2% 2005	94 1/2	Australia 4 1/2% 2005	94 1/2
Australia 4 1/2% 2006	94 1/2	Australia 4 1/2% 2006	94 1/2
Australia 4 1/2% 2007	94 1/2	Australia 4 1/2% 2007	94 1/2
Australia 4 1/2% 2008	94 1/2	Australia 4 1/2% 2008	94 1/2
Australia 4 1/2% 2009	94 1/2	Australia 4 1/2% 2009	94 1/2
Australia 4 1/2% 2010	94 1/2	Australia 4 1/2% 2010	94 1/2
Australia 4 1/2% 2011	94 1/2	Australia 4 1/2% 2011	94 1/2
Australia 4 1/2% 2012	94 1/2	Australia 4 1/2% 2012	94 1/2
Australia 4 1/2% 2013	94 1/2	Australia 4 1/2% 2013	94 1/2
Australia 4 1/2% 2014	94 1/2	Australia 4 1/2% 2014	94 1/2
Australia 4 1/2% 2015	94 1/2	Australia 4 1/2% 2015	94 1/2
Australia 4 1/2% 2016	94 1/2	Australia 4 1/2% 2016	94 1/2
Australia 4 1/2% 2017	94 1/2	Australia 4 1/2% 2017	94 1/2
Australia 4 1/2% 2018	94 1/2	Australia 4 1/2% 2018	94 1/2
Australia 4 1/2% 2019	94 1/2	Australia 4 1/2% 2019	94 1/2
Australia 4 1/2% 2020	94 1/2	Australia 4 1/2% 2020	94 1/2
Australia 4 1/2% 2021	94 1/2	Australia 4 1/2% 2021	94 1/2
Australia 4 1/2% 2022	94 1/2	Australia 4 1/2% 2022	94 1/2
Australia 4 1/2% 2023	94 1/2	Australia 4 1/2% 2023	94 1/2
Australia 4 1/2% 2024	94 1/2	Australia 4 1/2% 2024	94 1/2
Australia 4 1/2% 2025	94 1/2	Australia 4 1/2% 2025	94 1/2
Australia 4 1/2% 2026	94 1/2	Australia 4 1/2% 2026	94 1/2
Australia 4 1/2% 2027	94 1/2	Australia 4 1/2% 2027	94 1/2
Australia 4 1/2% 2028	94 1/2	Australia 4 1/2% 2028	94 1/2
Australia 4 1/2% 2029	94 1/2	Australia 4 1/2% 2029	94 1/2
Australia 4 1/2% 2030	94 1/2	Australia 4 1/2% 2030	94 1/2
Australia 4 1/2% 2031	94 1/2	Australia 4 1/2% 2031	94 1/2
Australia 4 1/2% 2032	94 1/2	Australia 4 1/2% 2032	94 1/2
Australia 4 1/2% 2033	94 1/2	Australia 4 1/2% 2033	94 1/2
Australia 4 1/2% 2034	94 1/2	Australia 4 1/2% 2034	94 1/2
Australia 4 1/2% 2035	94 1/2	Australia 4 1/2% 2035	94 1/2
Australia 4 1/2% 2036	94 1/2	Australia 4 1/2% 2036	94 1/2
Australia 4 1/2% 2037	94 1/2	Australia 4 1/2% 2037	94 1/2
Australia 4 1/2% 2038	94 1/2	Australia 4 1/2% 2038	94 1/2
Australia 4 1/2% 2039	94 1/2	Australia 4 1/2% 2039	94 1/2
Australia 4 1/2% 2040	94 1/2	Australia 4 1/2% 2040	94 1/2
Australia 4 1/2% 2041	94 1/2	Australia 4 1/2% 2041	94 1/2
Australia 4 1/2% 2042	94 1/2	Australia 4 1/2% 2042	94 1/2
Australia 4 1/2% 2043	94 1/2	Australia 4 1/2% 2043	94 1/2
Australia 4 1/2% 2044	94 1/2	Australia 4 1/2% 2044	94 1/2
Australia 4 1/2% 2045	94 1/2	Australia 4 1/2% 2045	94 1/2
Australia 4 1/2% 2046	94 1/2	Australia 4 1/2% 2046	94 1/2
Australia 4 1/2% 2047	94 1/2	Australia 4 1/2% 2047	94 1/2
Australia 4 1/2% 2048	94 1/2	Australia 4 1/2% 2048	94 1/2
Australia 4 1/2% 2049	94 1/2	Australia 4 1/2% 2049	94 1/2
Australia 4 1/2% 2050	94 1/2	Australia 4 1/2% 2050	94 1/2
Australia 4 1/2% 2051	94 1/2	Australia 4 1/2% 2051	94 1/2
Australia 4 1/2% 2052	94 1/2	Australia 4 1/2% 2052	94 1/2
Australia 4 1/2% 2053	94 1/2	Australia 4 1/2% 2053	94 1/2
Australia 4 1/2% 2054	94 1/2	Australia 4 1/2% 2054	94 1/2
Australia 4 1/2% 2055	94 1/2	Australia 4 1/2% 2055	94 1/2
Australia 4 1/2% 2056	94 1/2	Australia 4 1/2% 2056	94 1/2
Australia 4 1/2% 2057	94 1/2	Australia 4 1/2% 2057	94 1/2
Australia 4 1/2% 2058	94 1/2	Australia 4 1/2% 2058	94 1/2
Australia 4 1/2% 2059	94 1/2	Australia 4 1/2% 2059	94 1/2
Australia 4 1/2% 2060	94 1/2	Australia 4 1/2% 2060	94 1/2
Australia 4 1/2% 2061	94 1/2	Australia 4 1/2% 2061	94 1/2
Australia 4 1/2% 2062	94 1/2	Australia 4 1/2% 2062	94 1/2
Australia 4 1/2% 2063	94 1/2	Australia 4 1/2% 2063	94 1/2
Australia 4 1/2% 2064	94 1/2	Australia 4 1/2% 2064	94 1/2
Australia 4 1/2% 2065	94 1/2	Australia 4 1/2% 2065	94 1/2
Australia 4 1/2% 2066	94 1/2	Australia 4 1/2% 2066	94 1/2
Australia 4 1/2% 2067	94 1/2	Australia 4 1/2% 2067	94 1/2
Australia 4 1/2% 2068	94 1/2	Australia 4 1/2% 2068	94 1/2
Australia 4 1/2% 2069	94 1/2	Australia 4 1/2% 2069	94 1/2
Australia 4 1/2% 2070	94 1/2	Australia 4 1/2% 2070	94 1/2
Australia 4 1/2% 2071	94 1/2	Australia 4 1/2% 2071	94 1/2
Australia 4 1/2% 2072	94 1/2	Australia 4 1/2% 2072	94 1/2
Australia 4 1/2% 2073	94 1/2	Australia 4 1/2% 2073	94 1/2
Australia 4 1/2% 2074	94 1/2	Australia 4 1/2% 2074	94 1/2
Australia 4 1/2% 2075	94 1/2	Australia 4 1/2% 2075	94 1/2
Australia 4 1/2% 2076	94 1/2	Australia 4 1/2% 2076	94 1/2
Australia 4 1/2% 2077	94 1/2	Australia 4 1/2% 2077	94 1/2
Australia 4 1/2% 2078	94 1/2	Australia 4 1/2% 2078	94 1/2
Australia 4 1/2% 2079	94 1/2	Australia 4 1/2% 2079	94 1/2
Australia 4 1/2% 2080	94 1/2	Australia 4 1/2% 2080	94 1/2
Australia 4 1/2% 2081	94 1/2	Australia 4 1/2% 2081	94 1/2
Australia 4 1/2% 2082	94 1/2	Australia 4 1/2% 2082	94 1/2
Australia 4 1/2% 2083	94 1/2	Australia 4 1/2% 2083	94 1/2
Australia 4 1/2% 2084	94 1/2	Australia 4 1/2% 2084	94 1/2
Australia 4 1/2% 2085	94 1/2	Australia 4 1/2% 2085	94 1/2
Australia 4 1/2% 2086	94 1/2	Australia 4 1/2% 2086	94 1/2
Australia 4 1/2% 2087	94 1/2	Australia 4 1/2% 2087	94 1/2
Australia 4 1/2% 2088	94 1/2	Australia 4 1/2% 2088	94 1/2
Australia 4 1/2% 2089	94 1/2	Australia 4 1/2% 2089	94 1/2
Australia 4 1/2% 2090	94 1/2	Australia 4 1/2% 2090	94 1/2
Australia 4 1/2% 2091	94 1/2	Australia 4 1/2% 2091	94 1/2
Australia 4 1/2% 2092	94 1/2	Australia 4 1/2% 2092	94 1/2
Australia 4 1/2% 2093	94 1/2	Australia 4 1/2% 2093	94 1/2
Australia 4 1/2% 2094	94 1/2	Australia 4 1/2% 2094	94 1/2
Australia 4 1/2% 2095	94 1/2	Australia 4 1/2% 2095	94 1/2
Australia 4 1/2% 2096	94 1/2	Australia 4 1/2% 2096	94 1/2
Australia 4 1/2% 2097	94 1/2	Australia 4 1/2% 2097	94 1/2
Australia 4 1/2% 2098	94 1/2	Australia 4 1/2% 2098	94 1/2
Australia 4 1/2% 2099	94 1/2	Australia 4 1/2% 2099	94 1/2
Australia 4 1/2% 2100	94 1/2	Australia 4 1/2% 2100	94 1/2

Good year for Finnish bankers

BY LANCE KEYWORTH

HELSINKI, Feb. 28.

THREE OF the big five commercial banks in Finland report that 1977 was a satisfactory year in the face of the credit squeeze and a economic depression.

Kansallis-Osake-Pankki (KOP), the biggest commercial bank, had a balance sheet total of 115.4bn. an increase of 17 per cent on 1976. Deposits increased 7 per cent, and lending by 10 per cent.

Foreign currency deposits mostly from companies engaged in foreign trade, increased by no less than 67 per cent (16 per cent in 1976). This was due both to speculation about a devaluation of the mark and to the rise in foreign exchange rates.

Profit for the year was 145m., against 44.7m. in 1976. This must be added to the transfer of 147.5m. to the credit reserve, versus 148m. in 1976. This brings the credit reserve up to 1,237.5m., which is 2.3 per cent of the loan portfolio.

The central bank for co-operative banks, Oso Pankki, had a balance sheet of 11.1 per cent, on the basis of the 1977. The result is

described as "very satisfactory" in view of the increase in costs. Oso's depreciation was the maximum permissible, and EMM was transferred to the credit reserve. The maximum permitted by law. The after-tax profit was 145m., and the bank proposes a dividend distribution of 6 per cent on a share capital of 1,000m. versus the 4 per cent required by law.

Bank of Helsinki said its result "was relatively good." The balance sheet total for the year rose by 15.3 per cent to 1,154.2bn.

Total deposits from the public in both Finnish and foreign currencies rose by 10.5 per cent to 1,154.2bn. There was a distinct move into longer-term deposits which now account for nearly 36 per cent of all deposits. As in the other banks, the worsened liquidity of companies was reflected in a fall in the cheque account balance.

Loans in Finnish and foreign currency together increased by 11.1 per cent to 1,154.2bn. The bank's guarantee commitments stood at 1,154.2bn. At the end of 1977, an increase of

15.3 per cent, 69 per cent, was domestic and 31 per cent foreign guarantees.

After maximum permissible depreciation and transfers to the credit reserve, the profit for the year was 145m.10m., an increase of 2.9 per cent on fiscal 1976. The proposed dividend on the share capital of 1,000m. is 11 per cent.

BELFINVEST, the Swedish trading and industrial group, reports that earnings in 1977 amounted to Kr.55m., which is about Kr.5m. more than was forecast, wrote John Walker in Stockholm.

Comparative results for 1976 amounted to Kr.72m., and Kr.83m. in 1975. Group turnover in 1977 rose by 11.8 per cent to Kr.7.1bn., compared with Kr.6.4bn. in the previous year. Costs in 1977 went up by 12 per cent to Kr.8.9bn. An unchanged dividend of Kr.5 per share is proposed.

NOTES

NOTICE OF REDEMPTION
EIDAI CO., LTD.
7 1/2% Convertible Bonds due 30th June, 1989
NOTICE IS HEREBY GIVEN that:
(a) The Law Debenture Corporation, Limited (the "Trustee") as Trustee of the above Bonds (the "Bonds") has pursuant to the provisions described in Condition 11 (Repayment in Event of Default) of the Bonds given notice to Eidai Co., Ltd. (the "Company") that the Bonds are immediately repayable, such repayment being at a redemption price of 104% together with interest accrued to the date of repayment.
(b) The Trustee has demanded payment by The Daiwa

ANNOUNCING A SLIGHT MODIFICATION TO THE LAWS OF ENGINEERING.

Until now, car engineers have assumed that the best way to give extra refinement to a four-cylinder engine was to turn it into a six-cylinder engine.

The disadvantage is that, in the process, it can become bigger, heavier and thirstier.

So we challenged the basic assumption, and built the first five-cylinder petrol engine to go into production.

(We say 'petrol engine' because Mercedes have already produced a five-cylinder diesel).

Our tests showed that all the way from 500 to 5,000 rpm, our five was quieter than its V-6 rivals.

Yet its fuel consumption, at 26.9 mpg DIN, remained firmly in the four-cylinder class.

It wasn't only ourselves who were impressed by these facts.

The Times observed: "Manufacturers' claims have often to be treated sceptically, but Audi's five-cylinder is as smooth and as quiet as most sixes" (14.7.77)

The Financial Times echoed this: "The five-cylinder Audi 100 feels just like a six-cylinder car."

Motor compared our car with three of its six-cylinder rivals. On 11 out of 16 criteria our car was placed either first or first equal.

Autocar in their road tests even scored our car ahead of cars like the Rover 3500 and the Jaguar 4.2.

All this, of course, wasn't just because of our engine.

Handling, accommodation, finish and "at the wheel" were some of the other areas where Motor, for example, placed our car at the top of their rating table.

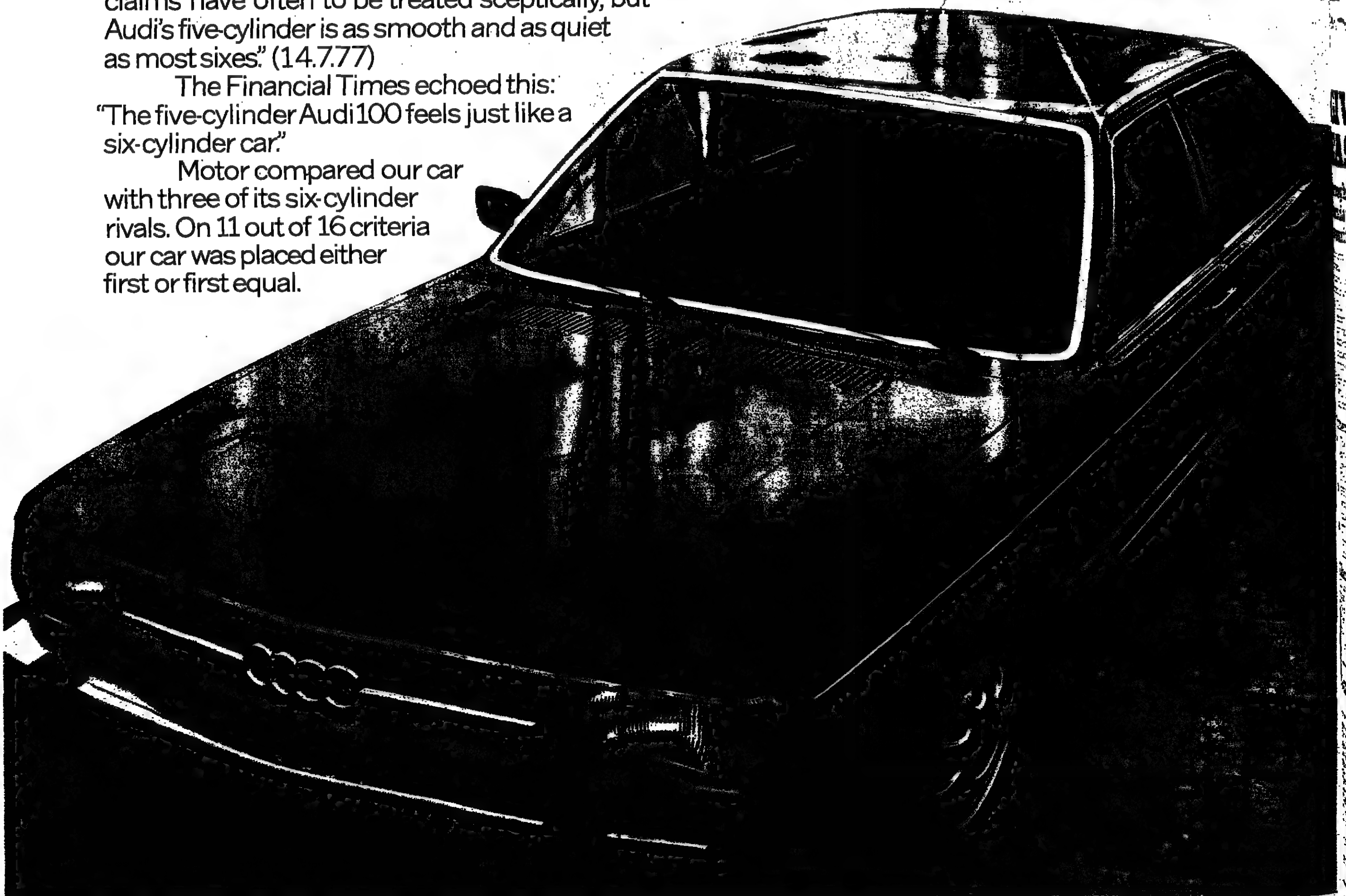
And that was before we added power steering to our car.

To own it will cost you all of £6,350.

And at least one cherished assumption about six-cylinder cars.

THE NEW 5 CYLINDER AUDI 100.

We think we've thought of everything.



Motor magazine group test (October 22, 1977) road tested the Audi 100 SE, Ford Granada 2.0i, Renault 30TS and Rover 2600. Audi/NSU noise tests (March 3, 1976) featured the Audi 100 SE, Mercedes-Benz 280, Opel Commodore, Peugeot 604, Renault 30 and BMW 525. The new Audi 80 range starts at £4,097. The new Audi 100 range starts at £5,098. Prices include VAT, car tax and seat belts and are correct at time of going to press. Number plates and delivery extra. Alloy wheels, as shown, are an optional extra. Figures quoted are our factory figures. For more information on the Audi 80 or 100 write to: Audi Marketing Department, Volkswagen House, Brighton Road, Purley, Surrey. Export enquiries to: Personal Export, 96 Baker Street, London W1. 01-496 8411.

'Rational' pay policy wanted

BRIEF and mild recovery in next two years, rising slightly after the end of 1978. These forecasts are based on the assumption of direct tax cuts of £2bn. in the April budget, which would boost the public sector borrowing requirement to £3.4bn. in 1978-79 compared with £3.2bn. in 1977-78. The current account is expected to remain in substantial surplus and the annual rate of inflation is forecast to stay at a single figure throughout the

as opposed to the working assumptions of its forecast, the Institute proposes sufficient stimulus to prevent a rise in unemployment this year. This would be around £3.4bn, depending on the split between taxes and expenditure. There is also a renewal of the Institute's long-standing call for moves towards a "more rational" long-term incomes policy. It is critical of last autumn's rise in the exchange rate—a perfect example of the way in which concern with monetary targets can trigger in

Brighter prospects facing OECD

THE INSTITUTE expects a modest economic revival this year in Western Europe to raise the growth in real output there from about 2 per cent to 3 per cent.

Governor's 'ambiguous' analysis attacked

THE Government's monetary targets, and particularly the approach recently outlined by Mr. Gordon Richardson, the Governor of the Bank of England, are attacked in the latest National Institute review today.

One passage of the lecture, the Institute says, seems to have worrying implications, suggesting that fiscal action should be taken to reduce the Government's borrowing requirement if monetary expansion looked like overshooting the target.

The positive case for monetary targets, the Review adds, rests on their presumed role in dampening inflationary expectations. "We cannot regard this case as anything but not proven."

The Institute argues that the adoption of monetary targets which were too restrictive or too rigid could lead to unwarranted effects on fiscal policy or on exchange rates, and could do more harm than good.

The main question, the Review says, is whether an expected overshoot of a target should be corrected and, if so, whether by tightening fiscal policy or by altering interest rates or by control of bank lending.

But confidence could be damaged by implying a weakening in the official attitude if a target was set above the current year's 13 per cent ceiling.

Examining the arguments set out by the Governor in his March lecture last month, the Review concludes that policy should concentrate directly on bringing down the rate of increase in earnings, "rather than allowing our attention to be distracted towards the growth of another number whose influence is uncertain and the pursuit of which is liable to lead to conflict with other stated objectives of policy."

Commenting on the effect of monetary targets on exchange rates, the Institute repeats its argument that last October's decision to allow the pound to float upwards was misguided.

The Institute's comments are supported by a special article examining the empirical evidence on the influence of monetary policy, which finds that our knowledge of the links with economic activity is "far from perfect."

Both cases were argued by the Governor, though the greatest weight appeared to be placed on the role of monetary targets in dampening inflationary expectations or in promoting stability.

As in the case of fiscal policy, there is an obvious risk that the operation of monetary targets could be allowed to generate exchange rate changes which on

output—up 3 per cent this year and by 4 per cent in 1979. Within the engineering industry, the best performance is expected from the instrument and electrical engineering sectors with increases in production of 34 per cent this year and of 23 and 20 per cent respectively in 1979.

The motor vehicle and mechanical engineering sectors are both expected to boost their output by 24 per cent this year but a further decline is projected for aerospace and other vehicles—down 1 per cent in both the next two years.

The prospects for the metals sector are also fairly bleak. After a decline in output of 5.7 per cent last year a rise of 14 per cent is projected in both 1978 and 1979.

The output of the chemicals sector should grow at above the limited recovery in engineering average rate for the rest of in-

dustry. A rise in output of around 4 per cent is projected this year with a 3 per cent increase in 1979.

The construction industry is expected to recover moderately after the sharp declines of the last two years with increases of 14 and 21 per cent, forecast for 1978 and 1979.

After the sharp decline in output last year, the heavy machinery sector should show a growth of 2 per cent in 1978 and slightly more next year as the import quotas become more effective.

Production of clothing, footwear and leather is expected to show a 3 per cent rise, reflecting the rise in consumer spending. The largest increase is again likely to be in the output of mining and quarrying, which includes North Sea oil development. Gains of 8 and 5 per cent are projected.

After the sharp decline in output last year, the heavy machinery sector should show a growth of 2 per cent in 1978 and slightly more next year as the import quotas become more effective.

Production of clothing, footwear and leather is expected to show a 3 per cent rise, reflecting the rise in consumer spending. The largest increase is again likely to be in the output of mining and quarrying, which includes North Sea oil development. Gains of 8 and 5 per cent are projected.

Higher living standards likely

LIVING standards and consumer spending are expected to rise quite sharply in the first half of this year, with a marked slowdown in the rate of growth from autumn.

The latest National Institute forecasts are based on the working assumption of a £2bn. cut in direct taxes in the budget but no further discretionary changes in 1979 apart from the adjustment of income-tax allowances in line with inflation.

The exchange rate is assumed to be left to move freely unless large and sharp movements are in prospect which are not implied by the projections.

Average earnings are assumed to rise by 13 per cent overall in the current pay round—against the 17 per cent increase assumed in November—with an increase of roughly 12 per cent in the following year from July.

The latest forecasts are not qualitatively different from the projections in the last issue of the review in November, though there are some quantitative differences. A slightly smaller rise in disposable incomes and consumer spending is projected in 1978.

Overall, real Gross Domestic Product is projected to increase by 2.7 per cent this year compared with 1977 and by 3.7 per cent in the year to the fourth quarter of 1978.

The main boost is expected to come from consumer spending—the period.

Although sharp fluctuations in the savings ratio are expected from quarter to quarter, the average levels in 1978 and 1979 are projected at 16.1 and 15.3 per cent, compared with 15.7 per cent last year.

Public expenditure on goods and services is expected to

1978, with a rise of only 1.9 per cent in the year to the fourth quarter.

This is likely to lead to a resumption of the upward drift of unemployment to about 11m. by the end of 1978.

After decelerating during 1977, the rate of consumer price in-

flation is expected to turn up again in 1978. This is partly because of the feed-through to prices of the relatively rapid increase in wage costs this year and partly because of the easing of the rise in the exchange rate, with an assumed reduction in the rate of increase of average earnings to 12 per cent.

On the prospects for manufacturing investment, the review says there is a continuing conflict between the evidence from the econometric forecasting equation, suggesting little or no further growth this year in view of sluggish output, and the direct evidence of another large increase from the various surveys of investment intentions.

On the balance, the review says there is a continuing conflict between the evidence from the econometric forecasting equation, suggesting little or no further growth this year in view of sluggish output, and the direct evidence of another large increase from the various surveys of investment intentions.

On the balance, the review says there is a continuing conflict between the evidence from the econometric forecasting equation, suggesting little or no further growth this year in view of sluggish output, and the direct evidence of another large increase from the various surveys of investment intentions.

On the balance, the review says there is a continuing conflict between the evidence from the econometric forecasting equation, suggesting little or no further growth this year in view of sluggish output, and the direct evidence of another large increase from the various surveys of investment intentions.

On the balance, the review says there is a continuing conflict between the evidence from the econometric forecasting equation, suggesting little or no further growth this year in view of sluggish output, and the direct evidence of another large increase from the various surveys of investment intentions.

On the balance, the review says there is a continuing conflict between the evidence from the econometric forecasting equation, suggesting little or no further growth this year in view of sluggish output, and the direct evidence of another large increase from the various surveys of investment intentions.

On the balance, the review says there is a continuing conflict between the evidence from the econometric forecasting equation, suggesting little or no further growth this year in view of sluggish output, and the direct evidence of another large increase from the various surveys of investment intentions.

On the balance, the review says there is a continuing conflict between the evidence from the econometric forecasting equation, suggesting little or no further growth this year in view of sluggish output, and the direct evidence of another large increase from the various surveys of investment intentions.

On the balance, the review says there is a continuing conflict between the evidence from the econometric forecasting equation, suggesting little or no further growth this year in view of sluggish output, and the direct evidence of another large increase from the various surveys of investment intentions.

On the balance, the review says there is a continuing conflict between the evidence from the econometric forecasting equation, suggesting little or no further growth this year in view of sluggish output, and the direct evidence of another large increase from the various surveys of investment intentions.

On the balance, the review says there is a continuing conflict between the evidence from the econometric forecasting equation, suggesting little or no further growth this year in view of sluggish output, and the direct evidence of another large increase from the various surveys of investment intentions.

On the balance, the review says there is a continuing conflict between the evidence from the econometric forecasting equation, suggesting little or no further growth this year in view of sluggish output, and the direct evidence of another large increase from the various surveys of investment intentions.

On the balance, the review says there is a continuing conflict between the evidence from the econometric forecasting equation, suggesting little or no further growth this year in view of sluggish output, and the direct evidence of another large increase from the various surveys of investment intentions.

On the balance, the review says there is a continuing conflict between the evidence from the econometric forecasting equation, suggesting little or no further growth this year in view of sluggish output, and the direct evidence of another large increase from the various surveys of investment intentions.

On the balance, the review says there is a continuing conflict between the evidence from the econometric forecasting equation, suggesting little or no further growth this year in view of sluggish output, and the direct evidence of another large increase from the various surveys of investment intentions.

On the balance, the review says there is a continuing conflict between the evidence from the econometric forecasting equation, suggesting little or no further growth this year in view of sluggish output, and the direct evidence of another large increase from the various surveys of investment intentions.

On the balance, the review says there is a continuing conflict between the evidence from the econometric forecasting equation, suggesting little or no further growth this year in view of sluggish output, and the direct evidence of another large increase from the various surveys of investment intentions.

High growth

Public authorities' current expenditure should however, increase by 4 per cent, compared to 1.75 per cent in 1976 and 2.5 per cent in 1977.

The U.S. is likely to have another year of moderately high growth, probably 4 to 4.5 per cent in 1978 compared with 4.9 per cent in 1977. However, a modest slowing down seems likely by the turn of the year and Gross National Product may grow by little more than 3 per cent in 1979 without further substantial fiscal stimulation.

Inflation in the OECD has been more favourable than the Institute had expected, and the rate of consumer price increase is expected to fall further from last year's 8 per cent to 7.5 per cent in 1978.

It is more doubtful, however, whether the deceleration would continue in 1979. Special measures to reduce unemployment militate against continuing productivity gains and much of the reduction in commodity prices in 1977 is likely to be reversed during the next two years.

Unemployment has fallen steeply in the U.S. since August and it has also turned downwards over the same period in Japan and most of the other important Western European countries after rising fairly sharply during the summer.

Thus, although unemployment in the OECD area was probably higher on average in 1977 than 1976, at 5.5 per cent compared with 4.4 per cent, it looks as though if ended the year rather lower than it began. However, the Institute warns that it would be rash to count on favourable trends in 1978 or 1979.

The volume of OECD trade is expected to grow by about 8 per cent in 1978 and by a further 8 per cent in 1979. The growth on the export side, in 1979, is likely to be 10 per cent and slightly more next year.

The Institute warns against the proliferation of trade restrictions, which could impair trade prospects over the next two years.

The Institute expects the U.S. current account deficit to widen from 15.75bn. SDRs (Special Drawing Rights) in 1977 to 18.25bn. SDRs in 1978.

Japan is likely to improve its surplus from 9.51bn. SDRs to 11.35bn. SDRs and West Germany from 3.02bn. to 8.06bn. SDRs. A French deficit of 1.66bn. SDRs is expected to become a surplus of 0.25bn. SDRs and the Italian surplus is likely to widen from 0.12bn. to 2.15bn. SDRs.

The over-100 OECD area deficit is forecast at 18bn. SDRs, compared with 28bn. SDRs in 1977.

The over-100 OECD area deficit is forecast at 18bn. SDRs, compared with 28bn. SDRs in 1977.

The over-100 OECD area deficit is forecast at 18bn. SDRs, compared with 28bn. SDRs in 1977.

The over-100 OECD area deficit is forecast at 18bn. SDRs, compared with 28bn. SDRs in 1977.

The over-100 OECD area deficit is forecast at 18bn. SDRs, compared with 28bn. SDRs in 1977.

The over-100 OECD area deficit is forecast at 18bn. SDRs, compared with 28bn. SDRs in 1977.

The over-100 OECD area deficit is forecast at 18bn. SDRs, compared with 28bn. SDRs in 1977.

The over-100 OECD area deficit is forecast at 18bn. SDRs, compared with 28bn. SDRs in 1977.

The over-100 OECD area deficit is forecast at 18bn. SDRs, compared with 28bn. SDRs in 1977.

The over-100 OECD area deficit is forecast at 18bn. SDRs, compared with 28bn. SDRs in 1977.

Production expected to improve

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

ONLY a moderate improvement in industrial production in 1978 and 1979 is expected by the Institute.

GIVE THE EASY WAY

through the Charities Aid Foundation to ALL your favourite charities

The aged, the disabled, the mentally handicapped, child care, your church, animal welfare, the arts, nature preservation, even overseas appeals...

You can support all these causes, and many others, by having one deed of government with the Charities Aid Foundation. Then, the charities you choose will benefit from the full advantages of tax concessions.

By giving out of income in this way, you will have at least half as much again to distribute at no additional cost to yourself.

Other easy ways to give

THE FOUNDATION FUND For the expert management of lifetime gifts and bequests, permanently safeguarded by Trustees of the highest standing.

PERSONAL TRUSTS to suit your needs with no setting-up costs or administrative charges.

TRUSTS BUILT UP FROM INCOME producing surprising capacity for supporting your favourite charities.

Charity Credits All account holders with the CAF are given a book of Charity Credits. You write them just like a cheque to benefit any charity you choose from your balance of tax-privileged money with the Charities Aid Foundation.

Please write for further information.

To CHARITIES AID FOUNDATION 48 Pembury Road Tonbridge Kent TN9 2JD

Please send me the following booklets: THE FACILITIES OF THE CHARITIES AID FOUNDATION—a guide to methods of giving to charity. PERSONAL CHARITABLE TRUSTS—a booklet for those who wish to give capital. PERSONAL CHARITABLE GIVING—a booklet for those who wish to give income. COMPANY CHARITABLE GIVING—a booklet for those who wish to give income. CHARITY CREDITS—an explanatory leaflet. PROFESSIONAL MANAGEMENT OF GOVERNMENT INCOME—a booklet for charities.

NAME ADDRESS

CHARITIES AID FOUNDATION Specialists in tax-privileged giving to charity

Inflation

The Institute places more weight on the intentions evidence and forecasts a growth in manufacturing expenditure (excluding capital expenditure) of 11.1 per cent this year following a rise of 13.1 per cent in 1977.

The rise is less than 9 per cent. It is projected in other private industrial investment (excluding shipping and North Sea activities), with investment in private housing projected to increase by more than 17 per cent in 1978 after a fall of 12.1 per cent last year.

Trade performance is expected to be disappointing in 1978. The exchange rate is now nearly 7 per cent above its average level in 1977.

With world trade in manufacturing expected to grow in volume by only between 4 and 6 per cent, total export of goods and services are projected to rise by just over 4 per cent in real terms.

However, since the recovery of demand is largely attributable to private consumption and manufacturing investment, which are relatively more intensive, the volume of imports of goods and services is expected to rise by almost 7 per cent.

The current account surplus is expected to decline from £228m. in the first three months of 1978 to £185m. in the final quarter, so upward pressure on the exchange rate will disappear.

The effective exchange rate is projected to decline by just over 5 per cent between the first and final quarters, while remaining 6 per cent higher on average than last year.

A current account surplus of £12.7bn. is forecast for 1978 as a whole—some £200m. less than expected last November, mainly because of the greater fiscal stimulus assumed in the budget (£2.2bn. against £1bn.) and the effect on exports of the lower world trade projection.

The other main features of the forecast for this year are the projected deceleration in the rate of increase of consumer prices and increased pressure on the monetary front.

Following the assumed budget stimulus, the public sector borrowing requirement is projected at £2.4bn. in 1978-79 compared with £2.7bn. in the current financial year. A relatively strong recovery is expected in bank lending to the private sector.

Allowing for lower sales than in 1977-78 of Government debt outside the banking sector, a "new" debt of about £1.2bn. is forecast for 1978-79.

The latest review also presents a detailed forecast for 1979 for the first time with a rather gloomy picture emerging.

Gross Domestic Product is expected to grow by about 2.3 per cent in real terms compared with

Oil 6 weaker on economic concern \$ falls again

BY OUR WALL STREET CORRESPONDENT

FRESH INDICATIONS of a January Index of Leading Economic indicators fell 1.3 per cent, its largest monthly fall for three years. The index was up 0.7 per cent in December.

Shares of oil companies with commitments in the Alaskan North Slope were weak, as Standard Oil of Ohio plunged 31 to \$601 on a brokerage concern's bearish analysis about the oil company's earnings outlook. Standard Oil of Indiana fell 12 to \$441.

Among glamour issues, Du Pont fell 21 to \$97, IBM 21 to \$251, and Texas Instruments 21 to \$81.

MRAC Industries, however, rose 31 more to \$411, still responding to news that preliminary merger discussions are being held with an undisclosed company.

THE AMERICAN SE Market Value Index receded 0.49 further to 122.85 on volume of 2.17m. shares (2.44m.).

Prices weakened afresh from the outset aimed continuing concern about the jump in the Urban

TUESDAY'S ACTIVE STOCKS

Stock	Close	Change
IBM	251.00	-21.00
Du Pont	97.00	-21.00
Standard Oil of Ohio	601.00	-31.00
Standard Oil of Indiana	441.00	-12.00
MRAC Industries	411.00	+31.00
Dow Jones Industrial Average	1228.5	-0.49

Consumer Price Index for January, with the decline broadening in the afternoon after the Government reported that its

Indices

NEW YORK - DOW JONES

Stock	Feb. 28	Feb. 27	Feb. 26	Feb. 25	Feb. 24	Feb. 23	Feb. 22	Feb. 21	Feb. 20	Feb. 19	Feb. 18	Feb. 17	Feb. 16	Feb. 15	Feb. 14	Feb. 13	Feb. 12	Feb. 11	Feb. 10	Feb. 9	Feb. 8	Feb. 7	Feb. 6	Feb. 5	Feb. 4	Feb. 3	Feb. 2	Feb. 1
Industrial	1228.5	1228.5	1228.5	1228.5	1228.5	1228.5	1228.5	1228.5	1228.5	1228.5	1228.5	1228.5	1228.5	1228.5	1228.5	1228.5	1228.5	1228.5	1228.5	1228.5	1228.5	1228.5	1228.5	1228.5	1228.5	1228.5	1228.5	1228.5

Rank of index changed from August 84.

Int. div. yield %	Feb. 28	Feb. 27	Feb. 26	Feb. 25	Feb. 24	Feb. 23	Feb. 22	Feb. 21	Feb. 20	Feb. 19	Feb. 18	Feb. 17	Feb. 16	Feb. 15	Feb. 14	Feb. 13	Feb. 12	Feb. 11	Feb. 10	Feb. 9	Feb. 8	Feb. 7	Feb. 6	Feb. 5	Feb. 4	Feb. 3	Feb. 2	Feb. 1
Int. div. yield %	8.14	8.14	8.14	8.14	8.14	8.14	8.14	8.14	8.14	8.14	8.14	8.14	8.14	8.14	8.14	8.14	8.14	8.14	8.14	8.14	8.14	8.14	8.14	8.14	8.14	8.14	8.14	8.14

STANDARD AND POORS

Stock	Feb. 28	Feb. 27	Feb. 26	Feb. 25	Feb. 24	Feb. 23	Feb. 22	Feb. 21	Feb. 20	Feb. 19	Feb. 18	Feb. 17	Feb. 16	Feb. 15	Feb. 14	Feb. 13	Feb. 12	Feb. 11	Feb. 10	Feb. 9	Feb. 8	Feb. 7	Feb. 6	Feb. 5	Feb. 4	Feb. 3	Feb. 2	Feb. 1
Industrial	87.74	87.74	87.74	87.74	87.74	87.74	87.74	87.74	87.74	87.74	87.74	87.74	87.74	87.74	87.74	87.74	87.74	87.74	87.74	87.74	87.74	87.74	87.74	87.74	87.74	87.74	87.74	87.74

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

Int. div. yield %

and Papers 0.47 to \$3.20. Gold, in contrast, recouped 7.9 more to \$351.

Reichhold jumped 11 to \$91 on news that Sun Oil is considering a take-over bid, but Gibraltar 88, which omitted a dividend, declined 10 cents to \$3.50.

P.A.R.I.S. - Generally lower, reflecting waning confidence among European investors. The major coalition will retain power in the March elections. Construction, Electricals and Steel led the market lower, followed by Motors and Investment companies.

Dumex, Michelin, Peugeot, CIT-Alcatel, Legrand and LRT were among shares to fall sharply.

BRUSSELS - Easier-inclined in thin trading.

planned capital increase was no help to Arbel, which receded 30 to B.F.R.2.270. Petroleum declined 45 to B.F.R.3.435, but Elektro added 20 to B.F.R.8.040.

AMSTERDAM - Market softened, influenced by Wall Street's overnight weakness.

Unilever receded Ffs.1.20 in Dutch International. Elsewhere, Shippings, Banks and Insurance were prominently easier. Van Ommen losing Ffs.2.30, A.B.N. Ffs.5.50, and AMFAS Ffs.2.30.

GERMANY - Widely lower, depressed by a growing feeling that the German Government may be obliged to introduce further controls on foreign pur-

chases of German securities to prevent a capital inflow from Switzerland following the latter's restrictive measures.

Manneberg lost DM4 after declaring lower sales and earnings for 1977.

Siemens lost DM1.60 in Electricals. Volkswagen D32.40 in Motorcars. Deutsche Bank in Banks.

and BASF. D31.50 in Chemicals. Public Authority Bonds were sharply weaker, losing as much as DM1.

SWITZERLAND - Share prices retreated sharply over a wide front on heavy selling, under-

mined by the ban on non-resident purchases of domestic securities. Losses ranging between 5 to 10 per cent were commonplace, with Bear stocks making the worst showing.

Swiss Reaier fell 60 to Sfr.3.510 and the Registered declined 15 to Sfr.7.700.

Swiss Bank Corporation, which had announced higher 1977 profits and an unchanged dividend, dropped with the rest of the market, the Bear ending 40 weaker at Sfr.3.373.

Registered 13 down at Sfr.3.301, and the Participation Certificates 25 lower at Sfr.3.333.

Losses of Domestic Bonds averaged 11 per cent, while Foreign Bonds recorded falls of

10 to 15 per cent.

MILAN - Leading Industrial and Financial shares declined in moderate trading, but exceptions were Fiat, 7 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

Stet, 10 up at L.1935, and

NEW YORK, Feb. 28.

SPAIN - Market remained in easier vein, the General Index declining 0.38 to a new 1978 low of 91.95.

HONG KONG - A mainly easier tone prevailed on profit-taking and caution ahead of today's Budget speech and the imminent 1977 non-consolidated results.

Real Hong Kong Bank which shed 10 cents to \$HK120.

Hong Kong Land receded 3 cents to \$HK6.63, but Hutchison Whampoa and Jardine Matheson were unchanged at \$HK2.375 and \$HK2.38 respectively.

TOKYO - After strengthening further in the early stages, share prices reacted to a mixed appearance at the close following a heavy trading volume of 460m. shares (410m.).

Export-oriented shares, such as Pioneer Electronic and Honda Motor, ended lower on profit-taking, but Hitachi, Mitsubishi Heavy, and Construction were higher.

Yamaha Motor, which had shed 10 cents to \$Y199 and \$Y200, was unchanged at \$Y200.

JOHANNESBURG - Golds were marked down in quiet trading.

Overseas interest being hampered by a decline in the Security Rand, which was quoted at 821 U.S. cents, before ending 13 higher at 82.

Elsewhere, De Beers fell 12 cents to \$1.00, and Anglo American, which had shed 5 cents to \$1.00, was unchanged at \$1.00.

AUSTRALIA - Stocks continued to show an easier bias, although industrial leader BHP was 2 cents higher at \$A1.40 and ANZ added 5 cents at \$A1.47.

Associated Concrete, \$A1.53, and Nicholas, 93 cents, declined 3 cents apiece, while Woolworths rose 2 cents to \$A1.50.

Coal and Allied, a firm spot of late on the results, improved

FARMING AND RAW MATERIALS

Coffee hits 18-month low

By Our Commodities Staff

FREE futures prices moved up after a London market rally yesterday following an overnight fall in New York. The May position fell to \$1.461 a tonne, the lowest for 18 months.

The New York fall was attributed to lack of buying interest in American roasters. The falling fall in London was encouraged by a liquidation of previously purchased contracts by many speculators.

In Rio de Janeiro, meanwhile, Camillo Calazans, president of the Brazilian Coffee Institute, told Reuters that the country's coffee sales were going well with about 500,000 bags (50 kilos each) having been exported for export within the week.

Calazans said Brazil's coffee sales had picked up considerably in the past 10-15 days. He said no need to alter its export policy.

Local trade sources said, however, that sales had been going slowly up to last Friday and would be a large part of last week's registrations must have been made on that day and on Friday. Friday's sales included 50,000 bags dealt with East many, they added.

Russia denies sugar buying rumours

MOSCOW, Feb. 28.

PORTS that the U.S.S.R. might have bought 500,000 tonnes of sugar on the London market were firmly denied by the Ministry of Foreign Affairs.

The Ministry's spokesman, however, said reports of big purchases in the past two months had been bought "a small quantity" of raw sugar on the London market for refining and resale, a statement said.

Our Commodities Staff writes: As reported on the London market yesterday following the firm denial by Russia of purchases, rumours that it was seeking bids for a quantity of white sugar, a steady trend in New York prices, values rally in trading.

Silkin protest as French raise lamb import tax

BY OUR COMMODITIES STAFF

THE FRENCH Government has increased import charges on purchases of lamb from Britain in a move which prompted Mr. John Silkin, U.K. Minister of Agriculture, to fire off an instant protest to the EEC Commission in Brussels.

Next Monday, the French minimum import or "threshold" price for lamb goes up from Frs.17.50 to Frs.18.55—a rise of 6 per cent. Some change was expected, but a much bigger increase and radical changes in the scale of variable import duties were taken by the Ministry.

This week, British lamb exporters are having to pay about 60p a kilo levy on their sales to France. If the new levy formula were applied now, the charge would be closer to 77p a kilo—an increase of 28 per cent.

The new levy will be to reduce the price exporters will be able to pay British farmers and

ultimately to cut down U.K. exports into France.

This action, which is regarded in the EEC Commission in Brussels as direct provocation in an area already subject to legal proceedings under Common Market treaty rules, spurred Mr. Silkin to telegram Mr. Finn Gundelach, EEC commissioner responsible for agriculture.

Mr. Silkin first protested to Brussels on January 10 when he learned that the French had agreed to allow the Irish levy-free access for their lamb exports to France. The Commission later started legal proceedings, charging that France was discriminating in favour of Ireland and against the U.K.

"These increases will further heighten the discrimination against U.K. exports to France," Mr. Silkin complained yesterday. "The consequences will be to increase the disruptive effect on the U.K. sheepmeat sector and

the potential trade distortions arising from this discrimination which the U.K. Government regards as totally unacceptable."

By making life for British lamb exporters even more difficult than at present, the French will be aiding even further the Irish sellers—who have been running a brisk trade in lamb since the Franco-Irish pact was settled.

Market price comparisons help illustrate the benefits Ireland has gained from trading into the high-price French market. Last week Irish farmers were earning around 82p a pound for medium lambs. The average price in the U.K. was 20p a pound lower.

The revival of the simmering row over France's highly protective national regime coincides with discussions by the EEC Commission in Brussels to-day on revised rules for an overall EEC market organisation for mutton and lamb.

Officials stressed that no decisions on a package to be presented to the EEC Agriculture Ministers could be expected this week. It appears that the suggestions from the Commission staff have been prepared in a loose form which gives Mr. Gundelach and his 12 colleagues ample room to manoeuvre.

The main difficulty in all attempts to "organise" the lamb market to suit Community rules is the huge difference between prices in Britain and France, the EEC's two leading lamb producers.

There is no doubt in Brussels that aiming to bring all prices to the highest common denominator would seriously damage consumption.

This is one of the main fears of the New Zealanders who stand to lose a large proportion of the U.K. market for lamb. They are worried that they will be the first to be affected by cuts in consumption.

The Agricultural Mortgage Corporation announces that the rate of interest for existing quarterly reviewed, variable rate loans will be reduced from 10 per cent to 9 per cent with effect from 1st day.

Borrowers whose loans are reviewed on a six-monthly basis will continue to pay the 10 per cent rate set on December 1, 1977, until the next review date on June 1. Then the quarterly reviewed and six-monthly reviewed variable rates will be considered again.

U.S. cut depresses copper

By John Edwards, Commodities Editor

COOPER PRICES fell back on the London Metal Exchange yesterday following an announcement by Phelps Dodge, a leading producer, that it was cutting its U.S. domestic price by 1.5 cents, to 61.50 cents.

The Phelps Dodge price cut brings it in line with the reduction to 61.50 cents announced by Kennecott over a month ago. The failure of other producers to follow Kennecott's lead until now had raised hopes that the price cut might have been premature and not truly reflecting market conditions.

But now that Phelps Dodge has cut its price too it is generally expected that other producers will also be forced to move to the lower level.

The "free world" market price for New York and London has moved below 61.50 cents, but the move in the producer price has an important impact on sentiment. As a result an upward trend in copper prices on the London and New York exchanges has been halted and cash wirebought margins are lower at 50p a tonne, moving further down in late March trading.

Other metal prices were hampered, notably tin which moved sharply for the second day in succession. Cash tin moved \$115 to \$6,290 a tonne, nearly \$100 above the three months quotation. Fears of a renewed scarcity of tin supplies is helping tin prices. So are rumours of political unrest in Malaysia.

Rubber pact talks accord

GENEVA, Feb. 28.

LEADING NATURAL RUBBER producing and consuming countries meeting here are confident that a decision will be reached to launch full-scale negotiations for an international rubber agreement.

The EEC has held the meeting, convened by the Secretariat of the U.N. Conference on Trade and Development (UNCTAD), that it is ready to enter negotiations for an overall accord.

The U.S. is also prepared to participate actively in negotiating a rubber pact on the assumption that it would not cover the synthetic rubber market.

The rubber talks, which have been going on for just over a year, are part of an "integrated programme" of negotiations being conducted under UNCTAD auspices.

REUTER

U.S. COMMODITY POLICY

BY DAVID BELL

Delays compound tin stockpile confusion

THE RECENT flurry of interest in Congressional hearings about proposals to transfer 5,000 tons of tin from the U.S. strategic stockpile has underlined the confusion that still surrounds American stockpile policy.

This confusion springs from two distinct causes. The first is that, even though the Ford administration first outlined a fresh approach in October 1976, it took the Carter administration nine months to review it. Also the present Administration is still working on its first materials plan—the schedule of targets for various commodities which must be approved by Congress.

The result has been that the markets have been waiting for an indication when the Administration was ready to activate its stockpile policy. The issue over tin, for example, has been so much whether it will be transferred to the International Tin Council buffer stock but when.

The second cause for confusion is to be found on Capitol Hill. Not only do the House of Representatives and the Senate each have committees responsible for the stockpile but there are a number of other committees which also claim some jurisdiction.

In the case of tin the recent hearings were held by a House sub-committee on International Trade which is interested in the 5,000 ton transfer because it supports, and watches over, U.S. involvement in the Tin Council.

There is also another House committee for the armed services which has primary responsibility for the stockpile, for defence purposes.

This committee will decide whether to authorise the General Services Administration, which operates the stockpile, to sell up to 30,000 tons of tin on the open market. There are also parallel committees in the Senate.

Slightly bewildered followers of this are likely to be more bewildered because many of the Congressmen and Senators involved are also proposing new pieces of legislation to "tidy up" the stockpile question. Reports of these emerge from Capitol Hill regularly.

In fact these bills are likely eventually to be combined into a single measure that will make little practical difference to stockpile policy except that it will probably set up a revolving fund which will finance sales and purchases for the stockpile.

The Administration was initially very wary of this proposal, but modified versions of the Bill establish the fund for only three years which will probably satisfy the Administration. No figures have yet been put on the size of the fund.

Meanwhile, it seems, the tin affair could be the last of its kind. Sometime in the next few weeks the Administration will produce its materials plan for the current fiscal year and once that it is all too clear that in many cases U.S. operators have sold option contracts in the U.S. which they have not bought in London.

In such cases it was perfectly plain that the London market was totally unconnected with such fraudulent activities. Nevertheless, members of the LME are concerned by the occasional inference that they are implicated.

At the same time, the statement adds, it is not possible for LME members to control, even to know, the prices at which options are being sold in the U.S.

this is approved by Congress there will be no need for the GSA to get approval each time it wants to buy or sell for the stockpile.

Congress is also likely in due course to approve both the transfer of the tin to the council stocks and the sale of the metal on the market. But the time scale is still undecided.

One plan, that the tin-surplus stockpile should swap the tin for copper of which it is very short, seems unlikely to come to fruition. The Administration does not want to be seen "trading off commodities" in this way.

Other items prominent on the GSA's shopping list that have been identified as needed for the strategic reserve are nickel, zinc, cadmium, jewel bearings, refractory bauxite and feathers.

Items to be disposed of in due course include, apart from tin, silver, diamonds, gun metal, asbestos, antimony, bismuth and castor oil. The original fund envisaged only limited spending on sales and purchases in the first year but it is not yet clear if this Administration wants to follow its plan.

What is clear is that intervention, when finally it comes, will be carried out very carefully lest it disturb the markets. As it presently seems unlikely that the buying plan will be approved until the summer it may not be until then that the market starts watching very intently.

'London options' slur attacked

BY OUR COMMODITIES EDITOR

ALL members of the Exchange had been asked to exercise the greatest discrimination when deciding on possible option business with companies based in the U.S. to ensure as far as possible that the contracting party can be classified as either trade or commerce.

They were prepared to continue such co-operation, and welcomed the fact that trading in options for normal commercial business would continue unrestricted, even if the Commission proposed to ban option sales altogether.

However, the statement points out that it is all too clear that in many cases U.S. operators have sold option contracts in the U.S. which they have not bought in London.

PRICE CHANGES

Prices per tonne unless otherwise stated.

Prices listed.	Feb. 28 1978	+ or -	Month ago
Metals			
Aluminum	2580		2580
Free Market (U.S.)	\$200.00		\$200.00
Copper	2517.5	-1.25	2518.75
Free Market (U.S.)	2517.5	-1.25	2518.75
Gold	2507.5	-2.0	2509.5
Free Market (U.S.)	2507.5	-2.0	2509.5
Platinum	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Palladium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Rhodium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Vanadium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Chromium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Iron	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Steel	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Lead	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Zinc	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Nickel	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Cobalt	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Antimony	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Mercury	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Uranium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Thorium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Plutonium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Neptunium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Protactinium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Polonium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Astatine	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Radon	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Francium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Radium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Actinium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Thoron	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Protactinium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Neptunium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Plutonium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Am-241	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Am-243	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Curium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Berkelium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Californium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Einsteinium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Fermium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Mendelevium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Nobelium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Lanthanum	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Cerium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Praseodymium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Neodymium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Europium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Gadolinium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Terbium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Dysprosium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Ytterbium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Lutetium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Hafnium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Tantalum	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Niobium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Molybdenum	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Technetium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Ruthenium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Rhodium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Palladium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Silver	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Cadmium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Indium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Thallium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Lead	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Bismuth	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Antimony	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Arsenic	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Selenium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Tellurium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Polonium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Astatine	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Radon	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Francium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Radium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Actinium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Thoron	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Protactinium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Neptunium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Plutonium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Am-241	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Am-243	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Curium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Berkelium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Californium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Einsteinium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Fermium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Mendelevium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Nobelium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Lanthanum	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Cerium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Praseodymium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Neodymium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Europium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Gadolinium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Terbium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Dysprosium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Ytterbium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Lutetium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Hafnium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Tantalum	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Niobium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Molybdenum	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Technetium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Ruthenium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Rhodium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Palladium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Silver	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Cadmium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Indium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Thallium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Lead	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Bismuth	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Antimony	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Arsenic	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Selenium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Tellurium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Polonium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Astatine	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Radon	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Francium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Radium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Actinium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Thoron	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Protactinium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Neptunium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Plutonium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Am-241	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Am-243	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Curium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Berkelium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Californium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Einsteinium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Fermium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Mendelevium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Nobelium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Lanthanum	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Cerium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Praseodymium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Neodymium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Europium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Gadolinium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Terbium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Dysprosium	2507.5	-2.5	2510.0
Free Market (U.S.)	2507.5	-2.5	2510.0
Ytterbium	2507.5	-2.5	2

STOCK EXCHANGE REPORT

Tentative rally falters as buyers remain hesitant
First rise in 7 trading days leaves index 1.6 up at 443.4

Account Dealing Dates

"First Declared Last Account Dealing" dates for the 1977/78 financial year are as follows:

Date	Event
Jan. 31	First Declared
Feb. 10	Last Account Dealing
Feb. 13	First Declared
Feb. 24	Last Account Dealing
Mar. 7	First Declared
Mar. 10	Last Account Dealing

Account Dealing Dates

Stock markets attempted to rally yesterday after recent weakness, but buyers remained hesitant and prices generally closed below the day's best. The firm tone in British Funds was also looking fragile by the end of the day with gains to 1 in the long being pared to 1, while short-dated stocks finished narrowly mixed. The latter are awaiting to-morrow's opening of application lists for the new Exchange 81 per cent. 1982 tap stock.

As measured by official market index of 4793 against the previous day's 5342, trade was generally thin while confidence was not helped by the threatened engineering strike and the day-long uncertainty about the outcome of the late trade in closing 22 down at 726p on uncertainty generated by the suspension of trade in New York in Soho shares. The FT 30-share index fluctuated narrowly and, after being four points up at the day's best at 1 p.m., ended at 443.4 for a net gain of only 1.6 over the six previous business days. The index had lost 17.3.

Second-line stocks made a better showing, rises outnumbering falls, by five-to-two, in all FT-quoted equities for the first time in eleven trading days. Fairly widespread small gains were recorded in the FT-Actuaries index with Insurance Brokers making the best showing, up nearly 4 per cent, on the better-than-expected results from Sedgwick Forbes. Interest in takeover stocks was fanned by two fresh bids yesterday which produced useful gains in the recipients, Bury Masco and Hamblin.

Funds quiet

British Funds of a longer maturity regained part of Monday's losses as buyers became a little more confident and sellers more reluctant. Much of the day's business was effected in the first hour of trading during which quotations recovered as much as 2, but they subsequently drifted away from the highest to close a maximum of 1 better. Shorter issues also began firmly but, in the absence of any worthwhile interest, drifted a shade lower to end on a mixed note. Dealings after the official close were dampened awaiting developments

in the railwayman's dispute and also publication of the latest NISSA review. Less business was transacted in investment currency but orders throughout, generally from institutional sources, were well matched with the result that rates fluctuated only narrowly. At the close, the premium was 1.50p on balance at 87 1/2p. Yesterday's SEI version factor was 0.7151 (0.7215).

NatWest firm

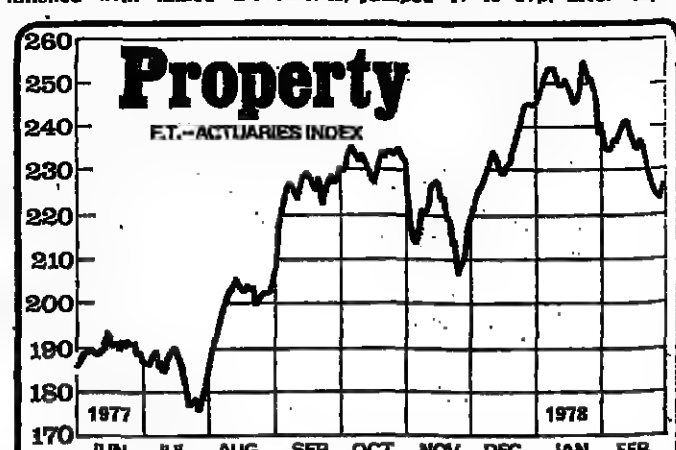
Despite the better-than-expected preliminary profit from NatWest, 8 better at 722p, the volume of trade in the major clearers remained small. Barclays rose 6 to 302p, while Lloyds and the latter are awaiting to-morrow's opening of application lists for the new Exchange 81 per cent. 1982 tap stock.

Lloyds Brokers took a distinct turn for the better in response to the much better-than-expected annual earnings reported by Sedgwick Forbes which rose 20 to 340p, sympathetic gains of around 10 were seen in the Health, 285p, and Willis Faber, 275p, while Milnet added 8 at 170p, Matthews Wrightson 7 to 157p and Alexander Howden 1 to 157p. Comment on Monday's excellent fourth-quarter figures helped Commercial Union improve 2 more to 146p among Composite Insurances. General Accident closed a similar amount deater at 203p in front of to-day's preliminary results.

Breweries attracted a reasonable business and closed firmly. Development's features with a rise of 5 to 95p on revised bid speculation, while Allied, 79p, and Whitbread, 84p, put on a penny apiece. Elsewhere, Geo. Sandeman hardened 3 to 60p and A. Bell 1 to 30p. Buildings picked up in places and closed with mixed movements on balance. Taylor Woodrow rallied 6 to 383p, while Richard Cordia improved 4 to 244p and G. R. Downing 5 to 305p. AP Cement and London Brick ended a penny deater at 225p and 64p respectively. Phoenix Timber, however, shed 5 to 140p and Becton Johnson relinquished 3 to 123p; the latter's preliminary results are due on March 20. Among quickly firm chemicals, ICI edged forward a penny to 240p, while Plessey improved 2 further to 300p ahead of next Monday's annual results. Jas. Walker better Stores moved quietly forward with the general trend. Jewellery issues rallied with James Walker

leading the movement at 73p, up 1.5. Samuel A recovered 3 to 240p and Ratners were 2 deater at 89p, after 90p. Reflecting the return to profitability in the first half, Rosgill hardened a penny to 12p, while improvements of 3 and 4 respectively were seen in Lee Cooper, 108p, and NSS Newsagents, 104p.

EMI met with occasional nervous offerings ahead of to-morrow's interim results and gave up 4 to 161p, but other Electricals firms made a quietly firm showing. Thera edged up 6 to 348p, GEC improved 2 to 245p and Plessey was a penny firmer at 90p. Secondary issues, however, finished with mixed movements.



Farrell found support at 190p, up 4, while Rascal were also wanted and improved to 206p before reacting to close only 2 better on balance at 200p. On the other hand, Louis Newmark fell 10 to 160p in a limited market along with G. R. Scholes which lost 5 to 270p.

Leading engineering took a turn for the better. Tubes improved 8 to 374p and Vickers 3 to 180p, while GKN were 8 deater at 371p. Elsewhere, company trading statements prompted several noteworthy movements. Manganese Bronze fell 5 to 74p on the second-half profits warning and Raine Engineering dipped 2 to 111p after the sharp interim profit setback. By way of contrast, favourable results left Metallurg 2 higher at 35p, Woodhouse and Rixon gained 3 to 33p following the preliminary figures and statement on current trading. Buying interest revived in Weir Group, 5 to the good at 113p, but Tex Abrasives, a recent speculative favourite, reacted that amount to 85p. P. Brotherhood firmed 4 to 117p.

Foods spent a quiet session. J. S. B. at 180p, recouped 8 of the recent sharp fall and gains of 5 were seen in Bluebird Confectionery, 145p, and Associated Dairies, 213p. Associated Discount was also better at 74p, up 4 fol-

lowing news of the German acquisition. J. Sainsbury edged forward 3 to 165p, while Tate and Lyle, 190p, and J. B. Eastwood, 55p, put on 2 apiece. Supermarkets had Hillsard 5 better at 180p and Wheatheaf Distribution 9 higher at 137p.

Hotels and Caterers rarely moved from the overnight levels. Not content, however, to close a penny harder at 171p, after 18p, reflecting the improved earnings.

Bury & Masco up on bid Secondary issues provided the focal points among miscellaneous industrials. Bury and Masco, standing Ordinary shares, the 5 per cent. PIF 1991-98 Convertible advanced 21 points to 232 Regional issues were also outstanding following the announcement that Friends' Provident had agreed to buy a 29.9 per cent. stake in the company, the Ordinary rising 6p, after 73p. Scattered demand developed for MEPC, 117p, and Land Securities, 205p, both of which improved a few pence. Stock Conversion found support at 238p, up 4, alone with Haslemere, 5 to the good at 224p, while Slough firmed 3 to 112p and Berkeley Hambr 2 to 90p.

BP down late British Petroleum were unsettled late and fell 22 to 726p because of an opening delay for Soho trading on Wall Street. The reaction of an analytical survey of the latter company. Shell held well throughout before turning easier after hours in sympathy with BP and closed 8 cheaper at 490p. North Sea issues continued to reflect recent Press doubts about potential benefits from the area. Lasso gave 2 further to 188p and the "Ops" gave up 4 to 295p.

Still reflecting compensation hopes, Jamaica Sugar moved up 3 to 174p for a two-day gain of 12. James Finlay, at 455p, regained 8 of the previous day's loss of 13, while Booker McConnell improved 4 to 197p. Investment Trusts had a firmer inclination. Jardine Securities staged 2 better at 87p on the interim figures, while International Pacific Securities, 130p, and International Investment Trust Jersey, 180p, put on 3 and 4 respectively. Fashion and General at 118p, recouped 3 of the previous day's reaction of 10 in a little-changed Financial sector. Gains of 2 were seen in El Oro, 54p, and Exploration, 84p, but Smith Bros. finished a penny easier at 33p. The Monopolies Commission has given the go-ahead for the proposed merger with fellow stockholders Biscuit Blue. Shipments were quiet and little changed. P and O Deferred closing unaltered at 96p, after

affected by the Curzon Industrial Finance disposal of all its 20 per cent. shareholding. Elsewhere Lucas Industries stood out with a fall of 4 to 245p. Still reflecting the week-end comment on potential North Sea oil revenue, Thomson gave up 5 more at 181p as did Daily Mail A at 273p. Elsewhere, Daily Paper Mill hardened a penny to 35p in front of to-day's results.

Properties were highlighted by a jump of 17 to 104p in Property Investment. Castlemead Properties had acquired British Land's 15.3 per cent. holding in PIF and intends to purchase an offer for the outstanding shares. The 5 per cent. PIF 1991-98 Convertible advanced 21 points to 232 Regional issues were also outstanding following the announcement that Friends' Provident had agreed to buy a 29.9 per cent. stake in the company, the Ordinary rising 6p, after 73p. Scattered demand developed for MEPC, 117p, and Land Securities, 205p, both of which improved a few pence. Stock Conversion found support at 238p, up 4, alone with Haslemere, 5 to the good at 224p, while Slough firmed 3 to 112p and Berkeley Hambr 2 to 90p.

BP down late

British Petroleum were unsettled late and fell 22 to 726p because of an opening delay for Soho trading on Wall Street. The reaction of an analytical survey of the latter company. Shell held well throughout before turning easier after hours in sympathy with BP and closed 8 cheaper at 490p. North Sea issues continued to reflect recent Press doubts about potential benefits from the area. Lasso gave 2 further to 188p and the "Ops" gave up 4 to 295p.

Still reflecting compensation hopes, Jamaica Sugar moved up 3 to 174p for a two-day gain of 12. James Finlay, at 455p, regained 8 of the previous day's loss of 13, while Booker McConnell improved 4 to 197p. Investment Trusts had a firmer inclination. Jardine Securities staged 2 better at 87p on the interim figures, while International Pacific Securities, 130p, and International Investment Trust Jersey, 180p, put on 3 and 4 respectively. Fashion and General at 118p, recouped 3 of the previous day's reaction of 10 in a little-changed Financial sector. Gains of 2 were seen in El Oro, 54p, and Exploration, 84p, but Smith Bros. finished a penny easier at 33p. The Monopolies Commission has given the go-ahead for the proposed merger with fellow stockholders Biscuit Blue. Shipments were quiet and little changed. P and O Deferred closing unaltered at 96p, after

97p. Elsewhere, Milford Docks rose 3 to 74p for a two-day gain of 8. Textiles were idle and featureless. Carrington Virella hardened a penny to 30p, while Textured Jersey, 27p, and Dawson International, 102p, put on 2 and 3 respectively.

Golds subdued

The continuing firmness of the bullion price, which closed \$130 better at \$132.825 per ounce in front of to-day's International Monetary Fund gold auction, failed to arouse much enthusiasm for South African Gold shares. Initially, share prices tended to be harden a shade but subsequent local selling coupled with a lack of buying interest from the Cape left them marginally easier towards the end of the morning. In the afternoon they declined further although small U.S. cheap buying in the late trade took the gold of the day's lowest level. The Gold Mines index gave up 0.4 to 135.9.

Heavyweights were usually undisturbed but Free State Gold moved against the general trend and closed another 1 better at a 197.73 high of \$15. South African Financials held quietly steady but the market had a firm undertone. Anglo American Corporation put on 4 to 274p, while rises of 3 were common to De Beers, 320p, and Union Corporation, 277p.

London-registered Financials, favourable Press comment Hired Gold Fields 2 to 188p. Rhodesians were also firmer with Falcon Mines 5 up at a 197.73 high of 200p and Rhodesian Corporation 2 harder at 23p. With the notable exception of uranums, Australian issues were again generally depressed reflecting the further downturn in over-land Sydney and Melbourne markets. Rumours of new and safe methods of disposing of uranium waste materials lifted Pancon Minerals further 7 to 900p and Peko-Wallend 12 to 454p. EZ Minerals also moved ahead closing 5 up at 135p, despite the half-year losses and the passing of the interim dividend.

MONTHLY AVERAGES OF STOCK INDICES

The following averages are based on the closing prices of the FT 30-share index and the FT-Actuaries index for the month of February 1978.

NEW HIGHS (18)

NEW LOWS (9)

FT-Actuaries

FT 30-share index

FT-Actuaries

FT 30-share index

FT-Actuaries

FT 30-share index

FT-Actuaries

FT 30-share index

FT-Actuaries

FT 30-share index

FT-Actuaries

FT 30-share index

FT-Actuaries

FT 30-share index

FT-Actuaries

FT 30-share index

FT-Actuaries

FT 30-share index

FT-Actuaries

FT 30-share index

FT-Actuaries

FT 30-share index

FT-Actuaries

FT 30-share index

FT-Actuaries

FT 30-share index

FT-Actuaries

FT 30-share index

FT-Actuaries

FT 30-share index

FT-Actuaries

FT 30-share index

FT-Actuaries

FT 30-share index

FT-Actuaries

FT 30-share index

FT-Actuaries

FT 30-share index

FT-Actuaries

FT 30-share index

FT-Actuaries

FT 30-share index

FT-Actuaries

FT 30-share index

FT-Actuaries

FT 30-share index

FT-Actuaries

FINANCIAL TIMES STOCK INDICES

	Feb. 28	Feb. 27	Feb. 26	Feb. 25	Feb. 24	Feb. 23	Feb. 22	Feb. 21	Feb. 20
Government Secs.	74.41	74.30	74.71	75.09	74.75	74.57	74.57	74.57	74.57
Fixed Interest	77.61	77.54	77.63	77.67	77.67	77.67	77.67	77.67	77.67
Industrial Ordinary	443.4	441.8	444.5	445.5	445.9	445.4	445.4	445.4	445.4
Gold Mines	158.9	159.5	158.3	160.1	157.9	158.0	158.0	158.0	158.0
Unit. Div. Yield	6.06	6.06	6.03	6.03	6.04	6.04	6.04	6.04	6.04
Earnings Yield (%)	18.08	18.05	17.95	18.01	17.94	17.94	17.94	17.94	17.94
P/E Ratio (net) (1)	7.78	7.78	7.83	7.83	7.80	7.80	7.80	7.80	7.80
Debt/Equity Ratio	4.785	5.845	5.775	5.877	5.827	5.827	5.827	5.827	5.827
Equity turnover (m)	70.12	77.87	95.35	98.82	98.14	98.14	98.14	98.14	98.14
Equity turnover (m)	14,856	12,835	12,574	13,544	13,544	13,544	13,544	13,544	13,544

10 a.m. 443.2 11 a.m. 443.3 12 noon 443.4 1 p.m. 443.5 2 p.m. 443.5 3 p.m. 443.5 4 p.m. 443.5 5 p.m. 443.5

* Based on 100 pence. ** Based on 100 pence. *** Based on 100 pence. **** Based on 100 pence. ***** Based on 100 pence.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed. 1978. Ind. Ord. 1778.

Source: Financial Times, 15/10/78, Final Ed.

OFFSHORE AND OVERSEAS FUNDS

[illegible][illegible]

INDUSTRIALS—Continued

Stock	Price	%	Div	Yld	Vol	High	Low	Open	Close
British Airways	120.00	+1.5	1.2	4.8	100	118.50	121.50	119.00	120.00
British Petroleum	145.00	+0.5	1.5	4.2	150	143.50	146.50	144.00	145.00
British Telecom	110.00	+2.0	1.0	3.6	80	108.00	112.00	109.00	110.00
British Steel	95.00	+1.0	1.8	5.2	120	93.50	96.50	94.00	95.00
British Sugar	80.00	+0.5	1.2	3.0	60	78.50	81.50	79.00	80.00
British United	100.00	+1.0	1.5	3.5	90	98.50	101.50	99.00	100.00
British Waterways	70.00	+0.5	1.0	2.8	50	68.50	71.50	69.00	70.00
British Airways	120.00	+1.5	1.2	4.8	100	118.50	121.50	119.00	120.00
British Petroleum	145.00	+0.5	1.5	4.2	150	143.50	146.50	144.00	145.00
British Telecom	110.00	+2.0	1.0	3.6	80	108.00	112.00	109.00	110.00

INSURANCE—Continued

Stock	Price	%	Div	Yld	Vol	High	Low	Open	Close
London & Lancashire	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
London & Lancashire	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
London & Lancashire	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
London & Lancashire	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
London & Lancashire	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00

PROPERTY—Continued

Stock	Price	%	Div	Yld	Vol	High	Low	Open	Close
British Land	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
British Land	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
British Land	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
British Land	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
British Land	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00

INV. TRUSTS—Continued

Stock	Price	%	Div	Yld	Vol	High	Low	Open	Close
British Investment	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
British Investment	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
British Investment	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
British Investment	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
British Investment	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00

FINANCE, LAND—Continued

Stock	Price	%	Div	Yld	Vol	High	Low	Open	Close
British Finance	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
British Finance	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
British Finance	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
British Finance	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
British Finance	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00

MOTORS, AIRCRAFT TRADES

Stock	Price	%	Div	Yld	Vol	High	Low	Open	Close
British Motors	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
British Motors	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00

Commercial Vehicles

Stock	Price	%	Div	Yld	Vol	High	Low	Open	Close
British Commercial	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
British Commercial	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00

Components

Stock	Price	%	Div	Yld	Vol	High	Low	Open	Close
British Components	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
British Components	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00

Garages and Distributors

Stock	Price	%	Div	Yld	Vol	High	Low	Open	Close
British Garages	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
British Garages	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00

SHIPPING

Stock	Price	%	Div	Yld	Vol	High	Low	Open	Close
British Shipping	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
British Shipping	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00

SHOES AND LEATHER

Stock	Price	%	Div	Yld	Vol	High	Low	Open	Close
British Shoes	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
British Shoes	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00

SOUTH AFRICANS

Stock	Price	%	Div	Yld	Vol	High	Low	Open	Close
British South Africa	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
British South Africa	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00

NEWSPAPERS, PUBLISHERS

Stock	Price	%	Div	Yld	Vol	High	Low	Open	Close
British Newspapers	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
British Newspapers	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00

PAPER, PRINTING

Stock	Price	%	Div	Yld	Vol	High	Low	Open	Close
British Paper	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
British Paper	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00

ADVERTISING

Stock	Price	%	Div	Yld	Vol	High	Low	Open	Close
British Advertising	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
British Advertising	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00

PROPERTY

Stock	Price	%	Div	Yld	Vol	High	Low	Open	Close
British Property	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
British Property	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00

TOBACCOS

Stock	Price	%	Div	Yld	Vol	High	Low	Open	Close
British Tobacco	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
British Tobacco	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00

TRUSTS, FINANCE, LAND

Stock	Price	%	Div	Yld	Vol	High	Low	Open	Close
British Trusts	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
British Trusts	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00

INSURANCE

Stock	Price	%	Div	Yld	Vol	High	Low	Open	Close
British Insurance	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
British Insurance	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00

SHIPBUILDERS, REPAIRERS

Stock	Price	%	Div	Yld	Vol	High	Low	Open	Close
British Shipbuilders	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
British Shipbuilders	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00

SHIPPING

Stock	Price	%	Div	Yld	Vol	High	Low	Open	Close
British Shipping	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
British Shipping	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00

SHOES AND LEATHER

Stock	Price	%	Div	Yld	Vol	High	Low	Open	Close
British Shoes	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
British Shoes	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00

SOUTH AFRICANS

Stock	Price	%	Div	Yld	Vol	High	Low	Open	Close
British South Africa	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
British South Africa	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00

NEWSPAPERS, PUBLISHERS

Stock	Price	%	Div	Yld	Vol	High	Low	Open	Close
British Newspapers	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
British Newspapers	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00

PAPER, PRINTING

Stock	Price	%	Div	Yld	Vol	High	Low	Open	Close
British Paper	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
British Paper	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00

ADVERTISING

Stock	Price	%	Div	Yld	Vol	High	Low	Open	Close
British Advertising	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
British Advertising	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00

PROPERTY

Stock	Price	%	Div	Yld	Vol	High	Low	Open	Close
British Property	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
British Property	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00

TOBACCOS

Stock	Price	%	Div	Yld	Vol	High	Low	Open	Close
British Tobacco	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
British Tobacco	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00

TRUSTS, FINANCE, LAND

Stock	Price	%	Div	Yld	Vol	High	Low	Open	Close
British Trusts	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
British Trusts	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00

INSURANCE

Stock	Price	%	Div	Yld	Vol	High	Low	Open	Close
British Insurance	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
British Insurance	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00

SHIPBUILDERS, REPAIRERS

Stock	Price	%	Div	Yld	Vol	High	Low	Open	Close
British Shipbuilders	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00
British Shipbuilders	120.00	+1.0	1.5	3.5	100	118.50	121.50	119.00	120.00

